The China Weekly REVIEW

密勒氏評論報

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Only Way to Safeguard Far-Eastern Peace . By Chang T'ien Hu

SATURDAY, NOVEMBER 16, 1935 VOLUME 74, NUMBER 11

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009433	034712	050116	062434	175832
019253	036080	053642	120541	237290
019716	036539	061049	125595	239435

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000336	019210	047711	103767	130700	147446	177556	209370	241010	274254
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006142	021387	055324	108573	135207	151423	178368	216794	249872	278009
008744	030494	065750	108858	138072	152313	181513	219772	251346	280302
008834	032328	074346	109659	139531	160530	184568	220690	254621	281320
012186	035134	083769	110639	140103	164380	187570	224220	258817	284192
013404	037005	090690	115540	140904	168939	187793	224925	258914	285158
015151	045150	091562	116912	141101	171125	193325	230514	258941	287152
015807	045925	098405	120508	142925	172411	195332	234170	261212	288990
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Shanghai, 9th November, 1935.

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密勒氏評論報

The China Weekly

REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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Formerly Millard's Review

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

THE JAPANESE THREAT TO "KILL" REUTERS NEWS SERVICE

THE local Japanese newspapers, but chiefly the *Shanghai Nippo*, have been publishing almost daily editorial attacks on *Reuters*, the well known British news gathering organization. The motive for the attack was *Reuters* circulation of the original report of the attempted assassination of Wang Ching-wei containing the allegation that the assailant was a Japanese. How this report originated is still a mystery but it was generally believed in Nanking for several hours following the shooting that the assassin was of Japanese nationality, one such allegation being that the man who had fired the shot had concealed himself behind two Japanese newspapermen and had fired on the Chinese Premier from that position thus giving the impression that a Japanese had fired the shots. Since the Chinese authorities immediately closed the Kuomintang headquarters where the incident occurred and no newspapermen were permitted to enter the building to obtain information and those already inside were prevented from leaving, it was but natural that confused and inaccurate reports were issued. The fact that the assassin was registered as a newspaper correspondent, connected with a news agency which had been functioning in the Capital for some time, naturally had the effect of bringing all newspapermen under suspicion; hence the authorities probably are to be excused somewhat for their precautions which were directed primarily at journalists who were covering the meeting.

As soon as *Reuters* learned of the error a correction was sent out, but as frequently happens in cases of this kind the original report caught first editions of newspapers and the correction could not be printed until several hours later. This apparently occurred in Shanghai where the *Evening Post* published the original report but due to an error did not publish the correction until the following day. Since *Reuters'* manager made a full explanation of the mistake, issued a correction, and, according to a report in the *Nippo* on Nov. 7 even went to the length of visiting the Japanese Embassy and apologizing for the incident, there was no justification for the campaign of abuse which was conducted by the Japanese newspapers and news agencies. But as

was indicated in an account of the affair which appeared in *The Review* last week, the Japanese papers exploited this incident as part of their general fight against British interests. Readers of *The Review* will remember that it was only a few weeks ago that the three Japanese newspapers here launched a similar attack against the authorities of the International Settlement, not because of any genuine complaint at misgovernment, but merely because the British monopolized the administration and the Japanese were prevented from sharing the spoils.

In view of the frequency of these attacks by the local Japanese newspapers against American and European interests here, it is of value to know that the Japanese maintain three daily papers here: *Shanghai Mainichi*, edited by S. Fukamachi; *Shanghai Nippo*, edited by H. Hata; *Shanghai Nichi Nichi*, edited by G. Ishikawa. Of the three papers, the *Nippo* is regarded as the organ of the local Consulate-General while the *Mainichi* draws its inspiration from the office of the Japanese military authorities. The third paper, *Nichi-Nichi*, is also supposed to be a sort of semi-official organ of the War Office, but particularly that branch known as the Kwantung army which controls Manchuria. Their circulations are said to range from 2,500 to 4,500 daily. None of the papers is independent from the standpoint of financial support but obtain assistance from either the Foreign Office, War Department or from the Kwangtung branch of the Army which controls Manchuria. In recent months the papers have had a difficult time because of the local depression, but sometime ago the Kwantung Army came to the rescue with fresh funds from Manchukuo, in consequence of which at least two of the papers started pages or sections in the Chinese language, the said Chinese departments specializing in news depicting the glories of Manchukuo under Japanese military rule. When there is a shortage of Manchukuoan news or in the event of some special news development the Chinese sections are widely read by the Chinese. The fact that the Chinese newspapers are so strictly censored has been of great help to the Japanese who are not affected by the Chinese censorship, a situation very much in evidence recently on North Szechuen road where crowds of Chinese may be observed about the bulletin boards in front of the Japanese newspaper offices. Recently the Chinese evacuation of the Chapei section was attributed to sensational news carried in the Chinese sections of the Japanese newspapers; obvious proof that the Japanese papers are being read by the Chinese public. In connection with the recent attacks on British interests which appeared in all of the local Japanese papers, it was alleged that instructions to launch this campaign came directly from the War Office in Tokyo and was put into effect by the Military Attache's office in Shanghai.

Up to a few months ago few persons in Shanghai paid any particular attention to the local Japanese press which concerned itself chiefly with printing scurrilous articles about Gen. Chiang Kai-shek and other Chinese officials. But about four months ago the semi-official *Rengo* service announced it was starting a new local news service in the English language. Following this announcement *Rengo* began distributing local Japanese news in English, most of which consisted of translations of editorials from the local Japanese papers. This explains why the foreign papers now publish more Japanese news reports, including the editorials attacking Occidental interests.

The Japanese newspapers in their development here have brought along with them the home practice of the newspapers in Japan of publishing the most scandalous news and gossip without regard to its accuracy, the Japanese papers being able to do this because of the total lack of libel laws in Japan, despite the existence of strict police regulations and censorship with respect to political or other news. Since the Japanese papers here enjoy exterritorial rights, they are perfectly free to print anything about non-Japanese that they wish without fear of redress in the courts, witness their frequent reports of the assassination of Gen. Chiang Kai-shek, this report appearing regularly in the Japanese papers and news agency reports about every three months. Recently, when Dr. Kung, Finance Minister, announced the silver nationalization scheme, one of the local Japanese papers announced that a certain local Chinese "gangster and banker," had announced his intention of taking drastic action against the persons of Dr Kung and several of Dr. Kung's near relatives.

Two Japanese Decorations, One Medal and Retirement Pay for Henry W. Kinney

AMERICANS who are familiar with conditions in the Far East will read with mixed emotions the report from Dairen that the Japanese Government has granted two decorations to an American citizen, Henry W. Kinney by name, who, for the past ten years served as "spokesman" for the Japanese government-controlled South Manchuria Railway. Kinney was given the Order of the Sacred Treasure and the Order of Merit, ample evidence that his Japanese employers were satisfied with his work. Needless to mention they also paid him a good salary and provided him with a liberal expense account while in their employ. And not to overlook anything, one also notes that the puppet state of Manchukuo, unrecognized by the United States, nevertheless gave Mr. Kinney a gold medal "in recognition of his services in connection with the establishment of the new state." The fact that the creation of the puppet state involved a violation of an

American treaty and a repudiation of a traditional American policy in the Orient apparently did not deter Mr. Kinney from extending his services—which are now repaid by the award of a medal of appreciation.

All of these honors were piled upon Mr. Kinney when he retired from the job of "spokesman" of the Japanese railway which has, more than any other agency, been responsible for more international political grief than any other element of Japanese enterprise on the Continent. But we will permit Mr. Kinney's Japanese boss M. Yamasaki, chief of the management department of the railway, to tell real story of Mr. Kinney's service, as reported by *Reuters* on Nov. 7:

> "Mr. Kinney has consistently rendered meritorious service to the South Manchuria Railway Company. He has shown whole-hearted and unflinching devotion in explaining to the world in his winsome, convincing and 'unbiased' (our quotes—Ed) lectures, the pacific nature of Japan's continental policy... Responsibility and devotion are dominant attributes of his lofty character. Tireless energy characterized his admirable career."

Following the receipt of his many decorations and other honors, Mr. Kinney and his wife sailed for Japan whence they will proceed to San Francisco, but not to retire permanently on American soil, for when in Shanghai recently Mr. Kinney announced that he had purchased a small ranch on the Island of Tahiti in the South Pacific which is French territory.

Henry Walsworth Kinney, who describes himself as a "writer" in his sketch in *Who's Who* was born in that melting pot of Oriental-Occidental races, Honolulu, and was educated at the University of Copenhagen, finally taking post-graduate work in English and pedagogy at California University. After serving as a teacher and reporter in Honolulu for a time he drifted to Japan where he engaged in similar work, but in 1925 he linked-up with the Japanese railway, "spearhead of Japanese imperialism" in Manchuria. Since that time Kinney has served Japanese imperialism to such good purpose that after ten years he is able to retire to an island in the South Seas.

Hundreds of editors, newspaper and magazine writers in the United States—and also a long list of college professors—will learn of Kinney's retirement and the honors heaped on his head by a grateful Japanese government, with mixed emotions. The reason is that they have been on Mr. Kinney's mailing list for "Notes on the Manchurian Situation," and other literary efforts which always painted Japanese activities, whether concerned with the theft of a province or the decimation of a Chinese army, in favorable light. Occasionally the mimeographed "Notes on Manchuria" were interspersed with neatly printed booklets dealing with some particular phase of Japanese enterprise in Manchuria. Some of the booklets issued by Mr. Kinney, prior to the Japanese seizure of the Manchurian provinces by the Imperial Japanese Kwantung army in 1931, make interesting reading today. One in particular, which was issued at a time when the S. M. R. was trying to borrow money from Morgan and Company in New York. The Morgans apparently had expressed some anxiety about banditry in Manchuria, so Kinney, upon instructions of his Japanese boss, got out a well illustrated booklet proving conclusively that Manchuria "under the control of Marshal Chang Tso-ling and his son, the Young Marshal, was the safest and most prosperous spot in the world." This booklet was distributed to newspaper offices and college libraries all over the world only a few months before the Mukden "incident" of Sept. 18, 1931 which precipitated the Japanese seizure of a piece of Chinese territory equivalent in size to about one-fourth of the United States. Then it became necessary for "writer" Kinney to justify the Japanese seizure—which he did by putting out innumerable copies of his mimeographed "Notes on Manchuria" and other literature telling of the horrible banditry in Manchuria which made it necessary for Japan to take it over and clean it out. Once the so-called "bandits" got even with Kinney. They wrecked a train on which he was traveling and stripped him of everything including his clothes and a bundle of confidential documents which he was carrying to Geneva for his Japanese masters. Kinney succeeded in escaping and finally reached Harbin attired in an old potato sack, doubtlessly happy that the bandits had not recognized him, otherwise he probably would not have been able to complete his work and retire to the South Seas.

In addition to his job of supplying "confidential" information to American editors, writers, college professors and other seekers after "truth" in the Far East, Kinney often served as official guide for prominent American vistors, pointing out to them the achievements of Japanese imperialism on the continent. Much of Kinney's popularity with "prominent" visitors was due not only to his charming personality, so fittingly referred to by his Japanese boss on the occasion of his retirement, but to his much more important ability to issue free railway and steamship passes. A note from Mr. Kinney to the passenger department of the railway was good not only for a free ticket and meals on the railway but also on occasion, if the visitor was sufficiently prominent, a note from Kinney was also good for a free steamship ticket on Japanese lines owned by the railway running from Dairen to Shanghai or to Japan. Four or five years ago Kinney talked the Carnegie Peace Foundation into sponsoring a free trip to the Orient for a large group of American editors. According to an "exposure" of the junket, published by the *United Press*, the editors did not know until they reached Japan that the expenses of the excursion were being paid by the South Manchuria Railway. When the Japanese bombarded Shanghai early in 1932, the S.M.R. sent Kinney on a lecture tour of the United States to "explain" the situation so that the Americans would not misunderstand Japan's altruistic actions in slaughtering some thousands of defenceless Chinese men, women and children. Unfortunately (for Mr. Kinney) one of his highly confidential reports on American reactions to Japanese aggression, which he had sent to his superiors in Dairen,

found its way into the office of a Shanghai newspaper and was published. This caused much embarassment all around for the confidential report provided an interesting insight into the activities and motives of certain American writers and lecturers who were regarded as "pro-Japanese" in their general outlook on affairs in the Far East.

Space is insufficient for a more extensive "obit" in these columns for Henry Walsworth Kinney, receiver of decorations and retirement stipends from the S.M.R. We will only add a few more sentences from one of his recent "confidential" reports on conditions in Manchuria. This particular one was sent out from Dairen last summer and on the last of its ten mimeographed pages declared that Gen. Minami, commander-in-chief of the Japanese army in Manchuria and concurrently ambassador to the puppet state of Manchukuo, had no intention whatever of interfering in Chinese affairs south of the Great Wall. Quoting the Japanese commander, Mr. Kinney assured his readers that Japan was only interested in the consolidation of Manchukuo as a really independent state and not camouflaged as a Japanese protectorate, and furthermore that Japan was not interested in extending her influence beyond the borders of Manchukuo, either into Chinese territory or Mongolia. As for the Mongols, Kinney declared that they were flocking to the banner of Manchukuo, but that Japan was doing nothing to accelerate the flocking process.

When one realizes the growing seriousness of the relations of Japan and the United States and of Henry W. Kinney's activities extending over a decade in pulling the wool over the eyes of his fellow citizens regarding the real conditions in that troubled section of Asia now known as "Manchukuo," one can well understand why Kinney selected French territory as a place of retirement.

Attack on Wang, British Loan Talk, Japan's Moves in North and Incidents at Shanghai

THE Japanese press, under military inspiration, continues to insist that the attempted assassination of Wang Ching-wei, Chairman of the Executive Yuan and Minister of Foreign Affairs, is not likely to cause any material change in China's policy toward Japan. "But," declared a spokesman of the Imperial War office, "if there should be any change in Nanking's policy it would mean the ruination of China." This supposedly well considered view of the all-powerful warlords who dominate the policies of the Tokyo government, was circulated to the Japanese papers by *Rengo* on Nov. 4. According to the account in the *Japan Advertiser*, American paper in Tokyo, the Japanese military leaders insist there is unlikely to be any changes in Nanking policy "because any Chinese statesman placed in the two positions jointly occupied by Wang would be obliged, under prevailing conditions, to continue the policy of endeavoring to place Sino-Japanese relations on a better basis." Then followed the emphatic declaration of the War Office spokesman, "No responsible statesman in China would be so reckless as to assume responsibility for a turn for the worse in relations with Japan." The interview concluded with an attack on those Chinese who have been responsible for what the the Japanese designate as "pseudo-pro-Japanism," the spokesman declaring, "This sort of Chinese policy must end or there will be other incidents similar to the attack on Wang Ching-wei."

That the attack on the Premier of the National Government produced a deep impression in official circles in Japan was amply demonstrated in the space devoted to the subject by the leading Japanese papers. The Tokyo *Nichi-Nichi* declared that the attack on the Chinese statesman who had enjoyed such good relations with Koki Hirota and such a full understanding of Hirota's policies, "had cast gloom over the whole future of Sino-Japanese cooperation." "It would be impossible," declared the editorial, "to find a man as Wang's successor who possessed a better understanding of Japan than Mr. Wang, no matter whether his successor was chosen from the pro-Japanese or anti-Japanese factions." In a further editorial discussion the same paper forecasted that the attempt on the Premier's life would inevitably cause some changes in Nanking policy and might result in a return to power of the so-called "pro-American and pro-European factions and others affiliated with these groups .... It is easy to see from the present incident that anti-Japanese sentiment still lurking in the Nanking Government was utterly opposed to the Japanese policies of Wang Ching-wei and that this antagonism toward Japan is quite strong .... The incident has shocked those Chinese who were on the point of adopting a pro-Japanese policy, even though this pro-Japanese policy might have been camouflaged."

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THE editorial in the *Nichi-Nichi*, quoted in the preceding paragraph, then referred to the latest Japanese demands in North China, five in number (see issue of *The Review* for Nov. 9, Page 338) and forecasted that the attempted assassination of Wang Ching-wei might delay, if not stop altogther the negotiations which were on the point of being concluded. The editorial in the Tokyo paper said "No reply accepting Japan's demands in principle has been received by the Japanese authorities concerned with regard to North China .... The abandonment of the negotiations will aggravate the present situation .... If the Nanking Government errs in its Japan diplomacy or Gen. Chiang Kai-shek commits an error in coping with the situation, there will be a strong possibility of the militarists in the North

removing North China from the control of Nanking Government. In such an event it might develop that serious complications would occur between the North China militarists and the Central Government."

The extent to which the Japanese already have established their sovereign control over North China was indicated in graphic manner last week when a squad of Japanese gendarmes attached to the Japanese Embassy in Peiping went, late at night to the home of Hsuan Chieh-hsi, staff officer of the 29th army, placed him under arrest and have since held him prisoner within the compound of the Japanese garrison. Begining on Nov. 1 the Japanese have been freely arresting Chinese suspected of anti-Japanese activities in both Peiping and Tientsin. The first arrest of this character was Li Min, head of the second department of the Bureau of Social Affairs of the Tientsin municipality. On Nov. 7 another well known Chinese, Prof. Yang Yi-chou, Dean of the College of Commerce and Law in Tientsin, and Prof. Lu Yu-wen, chairman of the department of commerce of the same school were arrested and held in the Japanese barracks all night while they were questioned about anti-Japanese activities. On the following day the Japanese arrested Yao King-chen, Librarian of the municipality library; Liu Hsi-hung, physical director of the elementary school of the Tientsin Women's Normal College; Fu Hung-chin, chairman of the provincial stores guild. The last named, Fu Hung-chin, however, managed to escape and reported that the Japanese had compiled a list of 100 well known Chinese in North China who were to be arrested and charged with anti-Japanese activities. A report issued by the *Central News Agency* from Peiping on Nov. 11 told of the arrest of Col. Hsuan Chieh-hsi, staff officer of the 29th army, who, according to latest reports is still being held within the military compound of the Japanese Embassy. This report claimed that several other Chinese who had been arrested previously and detained at the Embassy had been released as a result of a strong protest by the Chinese authorities. The Nanking Ministry of Foreign Affairs on Nov. 11 issued a strong protest to the Japanese Ambassador charging that these arrests of Chinese citizens on Chinese territory "constituted a grave violation of Chinese sovereignty as well as infringement of international law." It was claimed that as a result of this protest the Japanese military authorities had promised to discontinue arresting and incarcerating Chinese citizens within the Japanese military compounds, but from foreign sources in Peiping it was learned that the Japanese had attached a condition to the effect that unless the Chinese authorities would arrest all persons whose names were submitted by the Japanese that the Japanese would continue to make the arrests themselves.

In addition to this unmistakable evidence of the assertion of Japanese sovereignty there have been further developments of almost equal importance indicating the drift of affairs in the North. The Japanese military authorities announced on Nov. 8 that each of the twelve hsiens or counties within the so-called Demilitarized Zone which extends southward from the Great Wall to the environs of Peiping and Tientsin, had appointed Japanese advisers. The Japanese announced that the agreement proving for this sensational arrangement had been made by Yin Ju-keng, Chinese commissioner and Lieut.-Col. Yoshiharu Takeshita, chief of the special service division of the Kwantung army. The Japanese report claimed that the Japanese advisers had been appointed for the purpose of "strengthening the projected Japanese collaboration in North China." The National Government at Nanking apparently was not informed of the agreement as no protest was issued.

Major-General Doihara, head of the special service division (department of intrigue) of the Kwantung army in Manchukuo arrived in Tientsin on Nov. 5 and since has been active interviewing Chinese and Japanese officials in both Tientsin and Peiping. Among the Chinese officials interviewed by Doihara was Gen. Hsiao Chen-yin, newly appointed chairman of Chahar. Upon arrival at Peiping on Nov. 12 Doihara was met at the railway station by Col. Tan Takahashi, military attache and Kao Sheng-yueh, departmental chief of the Peiping branch Military Council. Another high Japanese military visitor in the North was Gen. Matsui, retired Kwantung officer, who is now promoting a so-called Pan-Asiatic association of which he is secretary-treasurer. Mayor Cheng Keh, of Tientsin gave a banquet in honor of Matsui on Nov. 11.

WHETHER the Japanese will succeed in their scheme of cutting off China's five northern provinces and creating another puppet regime in North China remains to be seen. It also remains to be seen whether the Japanese army, as a last resort, will come out in the open and occupy sufficient of Hopei province in order to create an independent regime in that province and Chahar, leaving the other three provinces, Shantung, Shansi and Suiyuan for the future. The sudden decision of Gen. Yen Hsi-shan, head of the Shansi provincial government, to come to Nanking and attend the Kuomintang meetings caused the Japanese military authorities to transfer their attention to Gen. Sung Chieh-yuan, former head of the Chahar provincial government and now garrison commander of Peiping and Tientsin. Recently Gen. Chiang Kai-shek sent Gen. Hsiung Ping (signer of the Tangku Truce) to Peiping for the purpose of conferring with Gen. Sung Chieh-yuan and other northern leaders the object being to circumvent Japan's pressure on Gen. Sung to declare his independence of Nanking. Gen. Hsiung Ping is vice-chief of the Chinese General Staff and trusted member of Gen. Chiang's organization. The *Shun Pao* reported on Nov. 13 that Gen. Hsiung had conferred with Major-General Doihara, but the *Sin Wan Pao* reported, also on Nov. 13, that a Sino-Japanese conference had not been called to meet in Tientsin. A report in the *Shanghai Mainichi*, also on Nov. 13, said

that as a result of the trip of Gen. Hsiung Pin to the North, Gen. Sung Chieh-yuan had agreed to accept the post of Pacification Commissioner of Hopei and Chahar while one of his subordinates would be appointed as Gen. Sung's successor as Garrison Commander of Peiping and Tientsin. A further report in the *Mainichi* said that Gen. Sun's telegram to the Fifth Kuomintang Congress now in session at Nanking advocating the transference of political power from the Party to the People had "created a sensation in North China where the feeling prevailed that Gen. Sung might yield to Japanese pressure and head an independence movement in the North." That the Japanese military elements connected with the Kwantung army are taking advantage of the temporary confusion in the North resulting from the recent currency action of the Central Government to foster ill-will against Nanking and curry favor with Northern Chinese military and financial elements, is indicated in the review of the currency situation which appears elsewhere in this issue of *The Review*. A *Reuter* report from Peiping on Nov. 12 stated that the National Government shortly would announce far-reaching changes in the administration in the North to the following effect:

1. Abolition of the Military Council.
2. Abolition of the Peiping and Tientsin garrison headquarters in both cities.
3. The appointment of General Sung Chih-yuan, present Commander of the Peiping and Tientsin garrison, as Pacification Commissioner for Hopei and Charhar.

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The Japanese newspapers in Shanghai have, for a considerable period, openly advocated the creation of an independent regime in the North, The *Shanghai Nippo* on Nov. 11 published a dispatch from Peiping stating that the people in North China are assuming a still more favorable attitude toward the separatist movement, both politically and economically. Col. Tan Takashashi, Japanese assistant military attache in Peiping, was quoted as declaring that Japan would take all possible steps to prevent the transfer of silver reserves from the North to Nanking or Shanghai. A leading Tokyo paper, *Yomiuri Shimbun*, reported on Nov. 6 that "since the Nanking Government had succeeded in inducing Gen. Yen Hsi-shan to attend the Kuomintang Congress, there had been frequent visits between Gen. Sung Chieh-yuan and other members of his faction and the Japanese military authorities in North China, the object being the creation of an autonomous government in the North. The leading Japanese *Nippon Dempo* news service reported in a dispatch from Peiping on Nov. 6 that the Japanese military authorities in North China "should give positive assistance to the new North China Regime movement which is being promoted by Gen. Sung Chieh-yuan and his clique."

♣

We are exposing no secret in stating that outside of Japanese circles hardly anyone in Shanghai's international community believes that the Japanese sailor, Hideo Nakayama, found fatally wounded on Darroch road of the International Settlement on the night of Saturday, Nov. 9 was killed by a Chinese. Likewise there is no secret as to the cause of this general suspicion that the sailor was either killed by a Japanese or a Korean. The testimony of the sole Chinese witness, employe of a shoemaker's shop in the vicinity, that the murderer of Nakayama wore foreign-style clothing similar to that of the murdered man, served only to confirm a belief which already was held by the public generally. Shanhai and China and the world generally cannot forget the case of the vanished Japanese vice-consul in Nanking, who turned up alive after the Japanese Government had charged China with his murder and had made all preparation for enforcing demands upon China with a considerable portion of the Japanese fleet in China waters lined up along the Nanking waterfront for the purpose. The statement of the Japanese naval and consular authorities that the type of pistol used in the killing of Nakayama was allegedly similar to those previously used by the Chinese Nineteenth Route Army, also has not helped the Japanese case. The fact that the murderer threw his pistol behind a police box within a short distance of the spot where the crime was committed and where it was quickly found by the Japanese consular police, has created further suspicion that it was "planted" there for purpose. Realizing the traditional practice, almost amounting to habit, of the Japanese in invariably "framing" incidents prior to the submission of demands or seizure of Chinese territory, it was but natural that everybody believed that the murder of sailor Nakayama was intimately concerned with the recent demands which Japan has submitted at Nanking and with the Chinese authorities in North China. Official Japanese reactions, following the incident, and the later affair on Nanking Road involving the smashing of the shop window of a Japanese porcelain dealer, also by unknown persons, have followed the usual course with demands for strong action in the Japanese papers, plus resolutions by Japanese organizations and calls on Chinese officials by Japanese consular and military officers. Motoki Matsumura, third secretary of the Japanese Embassy in Nanking called on Kao Tsung-wu, chief of Asiatic section of the Foreign Office and demanded complete suppression of anti-Japanese movements by the Nanking government in order to prevent recurrence of attacks on Japanese lives and property. According to the *Rengo* report Mr. Matsumura cited the murder of the Japanese sailor and the smashing of a window of a Japanese shop on Nanking road and expressed regret over the failure of the Chinese authorities to suppress anti-Japanese activities. The *Shanghai Mainichi* in an editorial published on Nov. 13, varied the usual attacks on the Chinese by holding the authorities of the International Settlement responsible for both incidents, a point which also was emphasized in the Chinese papers that both incidents occurred on streets which belong to and patrolled by the police of the International (foreign Settlement.) The *Mainichi* also alleged that a spokesman of the National Government at Nanking had said that

the murderer of the Japanese sailor was of Japanese nationality and was being held by the Japanese military authorities. In another article the *Mainichi* charged that the invididuals in the Nanking government who are "on the first front against Japan, are elements who received training during the Wu-Han (Hankow) regime of the Communists." Their aim, according to the Japanese paper, is to aggravate the existing relarelations between China and Japan and then with the assistance of Great Britain and the Soviet Union, they will check the further advance of Japanese influence and finally bring about the collapse of Manchukuo . . . The present anti-Japanese activities are being enforced even more systematically and more actively than those before the Shanghai event of 1932."

The Japanese also alleged that the anti-Japanese literature now being distributed contains the name of the so-called "National Salvation Society of China. " One of the circulars allegedly distributed on Nanking road following the smashing of the window of the Japanese shop contained the following text:

> "To Our Dear People:—The National crisis has reached a stage where it is a matter of life or death to China.
>
> "The covetous Japanese imperialists have incessantly occupied our territory, robbed us of our property, violated out wives and daughters, destroyed our culture. With the shameless and sincere surrender of such traitors as Wang Ching-wei and others, not only North China has been put under the control of Japanese imperialism, but also both Central and South China are being threatened by the Japanese.
>
> "Our Dear People—We can no longer tolerate these actions. We cannot suffer such losses any longer. We must embark on a final fight against Japanese imperialism, if we want to save the nation.
>
> "All those who do not wish to see the death of our nation and who have a conscience and hot blood, must gather under the banner against Japanese imperialism.
>
> "Let us weep!
>
> "Down with Japanese Imperialism!
>
> "Down with the traitors!
>
> "Cooperate with the Soviet Union and with the Communists!
>
> "Declare war against Japan in order to save China!

The local Japanese military authorities were quoted by *Rengo* as stating the anti-Japanese literature now being distributed "shows unmistakable Kuomintang influence," hence it was likely that the Japanese would repeat their demands for the abolition of the Kuomintang party at Shanghai, a demand which was originally made several weeks ago in connection with the case involving the editor of the *New Life Magazine,* for publishing the article "Gossip About Emperors," resulting in the editor's receiving a jail sentence of fourteen months.

Of special significance in connection with the murder of the Japanese sailor and resulting Japanese demands, was an editorial which appeared in the *Shanghai Mainichi* on the day preceding the murder. This editorial referred to the Japanese desire for a special concession in the Northern district and was to the following effect:

> "A special district should be created in order to do away with all kinds of unreasonable treatment of the local (Japanese) population who reside on the Northern extension roads of the International Settlement. The electric current will soon be cut off from the power station in Chapei, and, as a result the cost of power will be increased . . . Moreover, this step will cause much difficulty because of geographic conditions . . . . . The population of this area also suffers discrimination because of the local telephone situation on the outside road area . . . . Therefore the best way to improve living conditions of the population in that area is to separate the district from the International Settlement and turn it into a 'special district."

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The fact that the recent incidents and ensuing Japanese demands have a distinct bearing on the whole Japanese issue at Shanghai was recognized by the London papers according to reports wired here in recent days. The *London Times,* following an editorial discussion of Japanese antagonism to the recent Chinese currency changes, declared,

> "The time is coming when the Japanese will claim a far larger say in the affairs of the International Settlement at Shanghai, and may press their claim more vehemently because they know that the other Powers are preoccupied with the struggle between Italy and the League of Nations. The Shanghai question will clearly require close examination before and careful handling when it is raised, but it is obvious, it says, that the difficulties and possible dangers will only be multiplied by neglect."

The *Daily Express,* according to a report through the French *Havas* service, stated that Japanese activities at Shanghai had created considerable alarm; hence the situation "demanded a united front between Great Britain and the United States in the Far East. Japan acts at a time when the British fleet is elsewhere. Make no mistake, the shot which killed Hideo Nakayama will reverberate throughout the entire world . . . . Britain is closely watching Japan and the hour has come when our nation and the United States should draw together and unite in a common front."

⁂

All of these stirring developments—the attack on the Premier at Nanking, the incidents at Shanghai, the Japanese opposition to China's currency reforms and attacks on Great Britain over the loan issue—seem to fit into a sort of final chapter of Japanese imperialistic adventure on the Continent. After four years of intensive effort and expenditure of manpower and treasure, the Japanese warlords thought they were on the point of final success in inducing the Nanking Government to agree to the Japanese progam. Then came the attack on Wang Ching-wei and the setback to the Japanese program, followed by Dr. H. H. Kung's currency reform measures which had the support of British financial and diplomatic interests. China's failure to inform the Japanese of their plans constituted an almost irreparable blow to Japanese prestige, particularly the prestige of the present Japanese political set-up in the eyes of the Japanese businessmen and people generally. According to the Tokyo *Nichi-Nichi* the Japanese bankers "were completely outwitted—they had no inkling of what was going on . . . . . neither was the Japanese Embassy informed . . . . . Japan

was slighted in the matter as a result of the activities of the European bloc in China led by Dr. H. H. Kung and T. V. Soong who stand against economic cooperation with Japan . . . the logical result will be an advance of British influence in China and restraint upon Japan's financial interests . . . . . Nanking must be made to understand that no policy, no matter how clever it may be, can succeed without the support of Japan . . . Japan's policy toward China, recently transmitted to Nanking by Ambassador Chiang Tso-pin, embracing recognition of Manchukuo, elimination of anti-Japan and anti-Manchukuo agitation and recognition of Japan's position as the 'stabilizing power in Asia' must be upheld . . . "

How this final chapter of Japanese imperialism will be written cannot be foretold at this time. Due to China's inability, disinclination, or at least failure to resist Japanese aggression the Japanese warlords have had things practically their own way for four years, but now when they face the final test of compelling China to assent to the establishment of Japanese hegemony a hitch occurs which may, in the end, wreck the entire Japanese program. Japan's weakness is due to her inability to support her military victories with financial and economic power. The facts in the situation are that Japan has expended most of her treasure upon the military phase and cannot obtain the capital necessary for consolidating the victory. The Japanese warlords thought that after clinching their control over the Chinese Republic that Occidental bankers would provide the funds for consolidating Japanese control but it hasn't worked out that way and Japan's credit today is lower even than that of China. Much depends, of course, upon whether Britain will now be able to assume her old position as China's banker. If the British can follow up their initial support of China's currency reform measures, with a loan of their own or an international loan, it will mean that the Japanese program has failed. But everything depends upon the Imperial Japanese army: Will the civilian industrial and business interests have sufficient power to curb the feudal lords of the war office who, in their fanatical ambition to control Asia may wreck everything. According to reports from London published in the local papers on Nov. 12 the Japanese government, under War Office domination, has refused to participate in international financial assistance to China. It is possible that this resistence is not final and that the warlords are juggling for terms, possibly hoping to force international recognition of Manchukuo as a condition to their agreement to participate in financial help to the Chinese government. But if, on the other hand, the Japanese militarists are determined to push their policy to the bitter end the results are likely to be more disastrous to Japan than to China, for while China is accustomed to bankruptsy, the over-expanded Japanese financial-economic structure might not be able to withstand the shock, particularly in the face of growing international restrictions on Japanese trade.

Mussolini Suspends Trade With All Nations Participating in Sanctions

The interest of the British news agencies for the moment is more centered on the elections than on the war news in Northeast Africa, as well it may be, as Britain's future course in the Ethiopian struggle will a great deal depend on the outcome of the elections. In the meantime the Italians continue to make gains, the second Italian Army Corps in the Makable zone having occupied Abinevri, in the Abiabo region, Nov. 12. Signor Mussolini in an attempt to strike back at nations applying sanctions issued a decree Nov. 11 suspending trade with all nations participatng in the sanctions.

Haste in U.S. Navy Building Is Urged by Navy Secretary Swanson

Claude A. Swanson, Secreatry of Navy, Oct. 29, addressed a confidential letter to the commandants of all United States Navy Yards, urging the greatest speed in carrying out the Navy's construction program. The Secretry exhorted the commandants to use all haste in building the Navy to full treaty strength. He said that it was imperative to launch 54 ships as soon as possible, and pointed out that the work will afford employment to many Americans now idle.

Brazil Will Not Impose Sanctions on Italy

Brazil sent a reply to Geneva, Nov. 8 refusing the invitation of the League of Nations to take part in sanctions against Italy. Not being a member of the League, she says, she cannot associate herself with sanctions. Meanwhile, it is reported from Rio de Janeiro that Italy and Brazil have just concluded an important trade agreement. This, however, was denied by the Brazilian Government, according to *Havas*.

Fifty-one states have signified their acceptance of Sanctions One and Two, i.e., the embargo on the export of arms and financial sanctions. Three and Four, i.e., the prohibition of imports from and exports to Italy, have been agreed to by 49 states.

American Oil Exports to Italy Increase 600 Percent

Exports of American oil to Italy during last August and September increased by 600 per cent over shipments of the product during the same two months of 1934, according to Department of Commerce Statistics. Representatives of the Italian government recently arrived in Texas to negotiate for the purchase of 50,000,000 barrels of oil.

"Pravda" Sees More Pressure by Britain in Italy After Elections

In a review of the international situation, Moscow *Pravda* Nov. 13 marked the standstill on the diplomatic front which is being utilized by Italian Fascism for a new advance while Abyssinia has not yet finished her mobilization. "Mussolini knows," the newspaper writes, "that in the long run the Abyssinian problem cannot be solved by Italian arms alone and that after the elections in England, pressure by London upon Rome and Paris will increase many fold; therefore, Italian Fascism hastens to take as much as possible, hoping, that if such is the case, it will get the great share."

Senator McAdoo Warns U.S. Against Experiencing Same Fate as China

Peace is impossible without defensive strength, asserted Senator William G. McAdoo, of California, in an address in San Diego, Cal., Nov. 11. He declared, "I am opposed any policy which means that we should strip ourselves of our defences, and ultimately face the same fate as China."

Japanese Sailor Murdered on Chapei Border

Hideo Nakayama, 23, a Japanese sailor first-class, was fatally shot from behind between 9.15 and 9.30 p.m. Nov. 9 in Darroch Road, Shanghai, by an unknown assailant as he was returning, walking alone, to the Japanese Naval Landing Party Headguarters on Kiangwan Road. He died at the Japanese Naval Landing Headquarters, several hours later, the single bullet fired having pierced his skull from the neck.

The incident caused the Japanese Marines to mobilize, and for a time a tense situation existed. There were rumors that the Japanese intended to make another onslaught on Chapei, as they did several years ago, and as a result thousands of Chinese evacuated from the district during the succeeding several days.

Another incident which increased the tension was that some unknown person threw a stone through the window of a Japanese shop in Nanking Road, during the night of Nov. 11. The Japanese Naval authorities at first made strong representations to the Chinese and Municipal authorities in connection with the incidents, but the tone of the Japanese later cooled somewhat when it became apparent that in neithe.r case had it been established that the offence had been committed by a Chinese. There were, on the contrary, certain indications that in both cases the offender was either a Japanese or a Korean. The subject is treated at length in the editorial columuns of this issue of *The Review*.

Fifth Kuomintang National Congress Opens at Nanking; Important Changes in North Impending

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Lin Sen Makes Stirring Appeal for Unity in Opening Address of Party Congress.**
2. **Nanking-Canton Brought Closer As Southwest Delegates Attend Party Convention.**
3. **Hu Han-min Is Reported Returning to China to Re-enter Politics.**
4. **National Government Orders Speed in Arresting Wang Ching-wei Assailants.**
5. **Important Political Changes in North China Reported Impending.**
6. **Nanking Lodges Protests Against Illegal Arrests by Japanese in Peiping and Tientsin.**
7. **Alleged Agreement by Gens. Chiang Kai-shek and Yen Hsi-shan to Curb Japanese Activities in North.**
8. **Rumors of Revival of Red Activities in Szechuan Denied by Headquarters Chief Secretary.**

The Fifth National Kuomintang Congress was formally opened at Nanking at 10 a.m. Nov. 12. The opening ceremony was held at the Sun Yat-sen Mausoleum outside the Chungshan Gate in the presence of over 100 members of the Central Executive and Supervisory committees and about 400 Party delegates from all over China and overseas Chinese communities. As a part of the opening exercises a simple ceremony in honor of the 70th birthday of the late Leader Dr. Sun Yat-sen was held at 9.40 a.m. with the entire delegation paying homage before Dr. Sun's tomb. Tsai Yuan-pei, President of the Academia Sinica, who presided at this ceremony, laid a floral wreath on Dr. Sun's casket. The formal inauguration ceremony of the Party Congress followed, with Lin Sen, Chairman of the National Government, whose term of office expires this year, occupying the chair. Following the Kuomintang rites, Chairman Lin Sen delivered the inauguration address which lasted fully 15 minutes and was broadcast in a national book-up. Among those present at the ceremony were Generals Chiang Kai-shek, Yen Hsi-shan, Feng Yu-hsiang and Chang Hsueh-liang, Sun Fo, Tai Chi-tao, Yu Yu-jen, Chu Chen, and many others. Conspicuous among the audience were Lin Yun-kai, Chairman of the Kwangtung Provincial Government, Liu Chi-wen, Mayor of Canton, Huang Hsu-chu, Chairman of the Kwangsi Provincial Government and other Southwest delegates, who arrived at Nanking by airplane from Canton Nov. 11. No business session of the Congress was held in the afternoon. The preliminary meeting was held in the morning of Nov. 13 with Yu Yu-jen, president of the Control Yuan, in the chair.

CHAIRMAN LIN MAKES STIRRING PLEA FOR UNITY IN OPENING ADDRESS

A stirring plea to all Kuomintang comrades and the Chinese people at large to sacrifice their personal freedom and to contribute their utmost towards the cause of national salvation was made by Chairman Lin Sen in the inauguration address at the Congress.

"Eleven years ago at the First National Party Congress held in Canton," Mr. Lin recalled, "our late Party leader, Dr. Sun Yat-sen emphatically declared that two factors were essential to cohesion and solidarity of the Party and the nation, namely the sacrifice of personal freedom and the whole-hearted contribution of one's best ability."

It was only by means of the sacrifice of personal freedom, Mr. Lin explained, that the Party could achieve national freedom, and it was only through the unselfissh and devoted service on the part of every Party worker that the Party could render greater service to the nation.

The fact that the unprecedentedly large attendance of C.E.C. and C.S.C. members and Party delegates at the present Congress, which broke all previous attendance records, Mr. Lin stated, unmistakably proves that the past four years have taught the rank and file of Kuomintang members the true significance and urgent necessity of sincere co-operation.

Facing the present acute national crisis, Mr. Lin said, one and all have constantly been thinking over two questions: First, how far have the Kuomintang members accomplished the unfinished task of the late leader, Dr. Sun, cut short by his untimely death, and Second, what shall be the way of the Kuomintang to carry on its future struggle.

Answers to these two questions, Mr. Lin stated, constitute the mission of this Fifth National Party Congress. Firstly, the Congress should review the work of the Party during the past few years, and secondly the congress should decide upon the future policy and program of the Kuomintang.

In view of its important missions, Mr. Lin said, the Congress should carefully deliberate over all the proposals, such as the Draft Constitution, future national reconstruction program, and a practical formula to arouse the patriotism of the Chinese people and convince them that they have a part to do in the task of national consolidation.

SOUTHWEST ENVOY URGES UNITY AND SOLIDARITY

Chow Lu, leader of the delegation from the Southwest, arrived in Shanghai from Canton aboard the s.s. *General Pershing* Nov. 12 and proceeded to Nanking by train in the evening of the same day in company with six others fellow delegates to attend the Fifth National Kuomintang Congress. In a written statement issued to press interviewers upon his arrival at Shanghai, Mr. Chow stated that the urgent need for national unity and solidarity with a view to coping with the present precarious condition of the country has been keenly felt by all members of the Party. In view of the realization of this on their own part, coupled with urgent pressure by Tai Chi-tao, President of the Examination Yuan, and Ma Chao-tsun, Mayor of Nanking, all members of the Central Executive Committee in the Southwest, with the exception of those who are sick or pressed with local duties, had decided to attend the Fifth National Kuomintang Congress in Nanking.

Those who had come and had attended the Sixth Plenary Session in Nanking, Mr. Chow continued, included Liu Lu-yin, Li Jen-jen, Huang Chi-ju, Teng Ching-yang, Tsui Kwang-hsiu, and Yen Chu-sze. Those who proceeded to Nanking immediately before him, included Lin Yun-hai, Huang Hsu-chu, Chen Yueh-huan, Chen Chia-yu, Hsiung Ke-wu, Lin Yi-chung, and Liu Chi-wen. In addition, there were scores of delegates from the provinces of the Kwantung and Kwangsi and overseas Kuomintang organizations who are now on their way to Nanking.

Commenting on the Fifth National Kuomintang Congress, Mr. Chow stated that it has been his view that all who want to save China from her present critical condition should be friends and all who do not should be enemies of the Kuomintang. Mr. Chow said that on this principle will be based his participation in the Fifth National Kuomintang Congress to discuss effective measures for the national uplift of China.

China's problems awaiting solution, Mr. Chow continued, are manifold, political, diplomatic financial, economic, military, rural, commercial and industrial. Reforms and improvements in all these fields, Mr. Chow emphasized, are urgently needed. While many are the woes of China, Mr. Chow said that it will not be altogether impossible to cure them if all members of the Party should take the lead and exert their utmost in adherence to the spirit of magnanimity and unselfishness of Dr. Sun, late founder of the Chinese Republic.

Shanghai Mainichi reported that two of the proposals submited previously by the Southwestern authorities have been accepted by the Nanking leaders. The two proposals are: (1) that a new foreign policy shall be established, and

(2) that the self-governing administration in various regions in the country should be recognized in order to consolidate the position of the whole country.

Generals Feng Yu-hsiang, Yen Hsi-shan and Li Lieh-chun, members of the C.E.C., despatched another joint telegram Nov. 10 to Generals Chen Chi-tang, member of the C.E.C. and Commander of the Kwangtung Provincial Forces, and Li Tsung-jen, member of the C.S.C. and Commander of the Kwangsi Provincial Forces, urging them to come to the Capital to attend the Congress. In case General Chen Chi-tang is unable to come on account of pressure of duties, the message states, General Li Tsung-jen at least should come personally.

HU HAN-MIN SAID RETURNING TO CHINA IMMEDIATELY

Hu Han-min, veteran Cantonese statesmen, has telegraphed to the authorities in Canton announcing his decision to end his foreign tour immediately and to leave France on November 15 on his way back to China, according to a *Reuter* report. He is also stated to have declared that he would proceed straight to Nanking. It is also understood that a cablegram urging his early return to China, signed by General Chiang Kai-shek, Wang Ching-wei, General Feng Yu-hsiang and General Yen Hsi-shan, was sent recently to Mr. Hu and that the Cantonese statesman had replied that he would leave for China within the next three months.

A *Havas* message states that Mr. Hu arrived at the Cap d'Ail Nov. 10. He was accompanied by considerable suite, which included his daughter, his personal physician, and his secretary.

"SHANGHAI NIPPO" ON KUOMINTANG NATIONAL CONGRESS

In a short comment dealing with the Kuomintang National Congress, the "*Shanghai Nippo*" notes the unprecedented magnitude of the attendance at the Congress. "We cannot help expressing our surprise," the paper declares, "especially in regard to the report that both General Chen Chi-tang, the leader of the Southwestern force, and General Li Chun-jen, stubborn commander of anti-Nanking clique in the country, will also atttend the National Congress. This is in itself a sign that some success has been achieved in the course of co-operation between Nanking and the Southwest."

Commenting on the opening of the 5th National Congress of the Kuomintang at Nanking on Nov. 12, all the Chinese newspapers including *The China Times*, *The Chungjihpao*, *The Min Pao*, and *The Sin Wen Pao* stress the importance of unity at the present time to meet our national crisis.

Referring to the importance of the discussions in the Congress, *The China Times* writes, "The Congress is the highest organ of the Kuomintang and according to the Constitution of the Party, its functions are: (1) Acceptance and adoption of the reports of the Central Executive Committee of the Kuomintang and of the National Government of the Republic of China, (2) Revision and amendment of the Constitution of the Kuomintang, (3) The making of decision in regard to important policies and plans of the Government and the Party toward the present political conditions, and (4) Election of the members of the Central Executive Committee and the Central Supervisiory Committee as well as reserve members of these committees.

"From the above listed points specially mentioned in the Constitution of the Kuomintang, it is apparent that the Congress is one of the most important of the country. Although all discussions will be centered around these four points, the following important issues will be discussed, according to the speech delivered by Yu Yu-jen, President of the Control Yuan in the closing session of the 6th Plenary Session of the Central Executive Committee and the Central Executive Committee and the Central Supervisory Committee of the Kuomintang: (1) Discussion of the drafted Constitution of the Republic of China, (2) Organization of a special committee for the discussion and revision of the Constitution, (3) Fixing of the date for calling the People's Congress, and (4) Adoption of the new monetary reform system."

Declaring that a number of other important issues will be discussed during the Congress, the paper concludes, that the Congress will be one of the most important historical events of China and urges the Party members to present a united front and take active part in the national and Party affairs in the future.

NANKING ORDERS SPEED ON ARRESTS OF WANG ATTACKERS

The National Government on Nov. 7 ordered the Executive and Judicial Yuans to instruct subordinate organs to apprehend as soon as possible those responsible for the murderous attack on President Wang Ching-wei on Nov. 1.

The United States Ambassador to China, Nelson T. Johnson, accommpanied by Wyllis R. Peck and George Atcheson, Counsellor and Secretary of the American Embassy, respectively, called at the Central Hospital on Nov. 7 to inquire concerning the health of Mr. Wang.

Rear-Admiral Teijiro Sugisaka, Commander of the 11th squadron of the Japanese Yangtsze Fleet, accompanied by Mr. Kitaura, Japanese Naval attache, visited the Ministry of Foreign Affairs at 10.30 a.m. Nov. 7 and expressed his wishes for Mr. Wang's speedy recovery.

Premier Mussolini of Italy has sent to President Wang through M. Vincenzo Lojacono, Ambassador to China, the Italian Government's and his personal best wishes for a speedy recovery.

Telegrams making sympathetic enquiry after the condition of President Wang have also been received by the Executive Yuan from M. Koscialkowski, Prime Minister of Poland: Herr von Neurath, German Foreign Minister; and Sir Miles Lampson, former British Minister to China and now High Commissioner in Egypt.

President Wang has received a cable from Paris from Hu Han-min, in which hopes for Mr. Wang's speedy recovery are expressed.

The condition of President Wang Ching-wei continues to show progress. According to a bulletin issued by the Central Hospital at 5 p.m. Nov. 12.

"President Wang has completely recovered from his serum reactions.

"At 4 o'clock this afternoon his temperature is 36.3. His pulse 34. His respiration 16.

"All stitches of the operation wound in the left temporal region were removed this morning."

SHANGHAI GIRL ARRESTED ON CHARGE OF IMPLICATION IN WANG SHOOTING

On a warrant issued by the Nanking Metropolitan Police, Miss Wong Wen-kwei, 23-year-old native of Shanghai, was arrested at her house 638 Tongshan Road, Shanghai late in the afternoon of Nov. 12 and immediately afterwards sent to Nanking as a suspect in the attempted assassination of President Wang Chin-wei, on November 1 at the Capital. The man who was arrested at the same house on Nov. 11 also on a Nanking police warrant, gave his name as Kuo Yao-wen, 28, native of Hsuchow, North Kiangsu. Kuo was taken to Nanking the same night, after application for his extradition was granted by the First Special District Court. Att the time when detectives from Nanking, assisted by Settlement police, raided the Tongshan Road house on Nov. 11 only Kuo was nabbed. Following his arrest, detectives were posted in the vicinity of the house, until Miss Wong showed up at the house about 4 p.m. when she was also placed under arrest.

Chang Ching-kiang, member of the Central Supervisory Committee, who was injured in a motorcar accident Nov. 5, is reported to be making good progress after being attended by Dr. W. L. New, the noted surgeon from Shanghai.

IMPORTANT CHANGES IN NORTH CHINA REPORTED IMPENDING

It is rumoured in Peiping that the Nanking Government will shortly announce far-reaching changes in the North China administration.

These, it is stated, will include the following:

1.—Abolition of the Branch Military Council.

2.—Abolition of the Peiping and Tientsin garrison headquarters in both cities.

3.—The appointment of General Sung Cheh-yuan, present Commander of the Peiping and Tientsin garrison, as Pacification Commissioner for Hopei and Chahar.

General Doihara, known as the "Lawrence of Manchuria," arrived at Peiping Nov. 12 from Tientsin. He had an interview in the afternoon with General Hsiung Ping, Vice-Chief of the General Staff at Nanking, who is at present visiting North China for the purpose of investigating the Sino-Japanese situation, on which he will later submit a report to General Chiang Kai-shek.

Japanese gendarmes have ceased arresting so-called "Blue Shirts." A Japanese spokesman declared Nov. 12 that no arrests have been made since November 5.

"No more than 10" had been arrested by the gendarmes, the spokesman said, and three persons had been interrogated and turned over to the Chinese authorities. The others, he added, would shortly be handed over as well.

Immediate introduction of constitutional government was urged by Gen. Sung Cheh-yuan, Commander of the Peiping-Tientsin Garrison, in a telegraphed appeal to the Fifth National Kuomintang Congress on Nov. 12, according to a *Rengo* report. "The period of tutelage has already ended, and the time has arrived to introduce and enforce constitutional government," the telegram reportedly said. "The Legislative Yuan should submit the draft constitution to the Congress for discussion, promulgating it immediately afterwards. Simultaneously, the administrative authorty should be returned to the ptople, to secure their collaboration in the national rehabilitation," Gen. Sung reportedly declared.

CHINESE LEADERS TO CONFER ON JAPAN POLICY

Chinese leaders and "experts" on Japan will soon assemble at a conference by General Chiang Kai-shek to discuss Nanking's policy towards Japan, the Shanghai *Nippo* said in an exclusive article Nov. 9. Attending the parley, besides the Generalissimo will be Generals Huang Fu, Minister of the Interior, Chiang Tso-pin, Chinese Ambassador to Japan; Ho Yin-ching, Minister of War; Chang Chun, Chairman of Hupeh, all of them regarded as "experts" on the situation, and Generals Feng Yu-hsiang, Yen Hsi-shan, Shansi Pacification Commissioner; and General Chang Hsueh-liang. General Chiang Tso-pin will report on the latest conditions and prevailing public opinioon in Japan, says the *Nippo*. This will form the basis for a discussion at which "certain basic principles of China's policy towards Japan will be evolved."

NANKING LODGES PROTEST AGAINST ILLEGAL ARRESTS BY JAPANESE

As a result of representations made by General Chin Teh-chun, the new Mayor of Peiping and General Hsiao Cheng-ying, chairman of Chahar, the Japanese authorities in Peiping have agreed to cease making further arrests of Chinese citizen there, according to a *Central News* report.

Col. Hsuan Chieh-hsi, an officer of the 29th Army, who was arrested by the Japanese from his home outside Houmen several days ago and several other Chinese are reported to have been released.

A strong protest against the recent unlawful arrest by Japanese gendarmes of Nien Kwang-yao, committee member of the Tientsin Chamber of Commerce, Wang Yi-an and other members of the Chinese Press Censorship Bureau at Tientsin and Li Ming, a Sectional Chief in the Social Affairs Bureau of the Tientsin Municipal Government, has been lodged by the Ministry of Foreign Affairs with A. Ariyoshi, Japanese Ambassador to China. The note states that such arrests of Chinese officials and citizens in Chinese territory are grave violations of Chinese sovereignty as well as infringements of international law and demands that steps be immediately taken to stop any possible recurrence of similar incidents in the future.

A previous report states that besides Li Ming, who was spirited away by Japanese military police on October 30 and has not yet been released, and Wang Chia-chi, member of the Bureau, who was suddenly "missing" on the 15th inst., three other Chinese residents have been kidnapped by Japanese. They are Yao Chin-shen, Director of the Tientsin Municipal Library; Liu Hai-hsun, Physical Director of a primary school attached to the Municipal Normal School for Girls; and a son of Fu Hsun-ching, Chairman of the Tea and Candy Merchants' Guild, Yang Yi-chow, President of the Tientsin College of Law and Commerce, and Lo Yu-wen, Head of the Economics Department of the College, were recently detained by the Japanese for cross-questioning and were released Nov. 7.

NEW PEIPING MAYOR TAKES OVER POSITION

General Chin Teh-chun, former Chairman of Chahar, was formally inducted into office as the new Mayor of Peiping on Nov. 9. General Chin declared that the would strive to cultivate friendly relations with the neighboring powers and "promote the revival of traditional Chinese virtues." Several changes in heads of departments coincided with General Chin's induction into office. Gen. Chin succeeds Col. Yuan Liang.

Rengo reports that Gen. Hsiao Chen-ying, the newly appointed Chairman of the Chahar Provincial Government, telegraphed to Chen Li-fu, member of the Central Executive Committee of the Kuomintang, in Nanking Nov. 10 regreating his inability to attend the 5th National Party Congress because of pressure of business. Gen. Hsiao, who is a trusted lieutenant of Gen. Sung Cheh-yuan, Commander of the Peiping-Tientsin Garrison, succeeds Gen. Chin Teh-chun.

CHENG CANCELS RESIGNATION AS TIENTSIN MAYOR

As the result of persuasions from various quarters, Cheng Ke, Mayor of Tienttsin, has cancelled his intention to resign. He is expected to return to Tientsin from Peiping shortly to resume his post.

In a communique to the Tientsin Municipality, the Japanese Naigai Chemical works demands the payment of compensation—a sum of $300,000—as the result of a labor strike some five years ago. The Japanese factory declares that Chou Lun-kwong, then Mayor of Tietsin, promised to pay whatever loss the factory might sustain in settling the dispute with the laborers. So far, the Tientsin Municipality has not paid a cent of the total loss of $300,000.

MORISHIMA REPORTS ON HIS CHINA TOUR TO GAIMUSHU

Goro Morishima, chief of the First Section of the Bureau of East Asiatic Affairs of the Foreign Office, returned to Tokyo Nov. 9 from a month's trip in China and Manchukuo. Immediately upon arrival, he called on Koki Hirota, Foreign Minister, to report on his tour. Mr. Morishima was the central figure in the Japanese consular conferences that were held in Shanghai and in Tientsin late last month.

Lieut-Gen. Toranosuke Hashimoto, former Vice-Minister of War, who had been visiting Nanning and Canton, arrived at Hongkong from Canton Nov. 6. He left for the north on the *S.S. Hakusan Maru* the following day. During his visit to Canton, Lieut.-Gen. Hashimoto met Gen. Chen Chi-tang, Commander of Kwantung Provincial Forces and Lin Yun-kai, Chairman of Kwanutng.

Yoshiji Washizawa, a member of the House of Representatives, left Kobe on Nov. 13 for North China where he said he would make a thoroughgoing investigation of existing conditions.

Upon instructions of the Ministry of Communications, the Tientsin Teleraph Administration has conduced direct telegraph communications tests between Tientsin and Tokyo. The tests, reports state, show that messages from Tokyo were clear but the sending was not clear due to insufficient power of the transmission apparatus.

A series of gigantic manoeuvres of all Japanese land, naval and air forces in Formosa will be staged beginning Nov. 11. The manoeuvres will last for four days, being one of the most important manoeuvres of Japanese forces in the so-called first line of defence in th South.

ALLEGED AGREEMENT BETWEEN NANKING AND GEN. YEN HSI-SHAN

According to a Tientsin dispatch dated Oct. 30 in *Tokyo Asahi*, the following agreement is alleged to have been concluded between General Chiang Kai-shek and General Yen Hsi-shan for the purpose of checking Japan's acticities in North China:

1. The Central Government supply General Yen Shih-shan a sum of $6,000,000 for his southward journey.

2. Beginning with the month of November this year a monthly military expenditure of $700,000 be given Shansi and Suiyuan Provinces.

3. The military and administrative powers in Hopei, Shantung, Chahar, Suiyuan, and Peiping-Tientsin area be placed under the control of Gtneral Yen, and General Yen be appointed chief of North China Pacification.

4. The Peiping Branch of the National Military Council be abolished and the North China military headquarters be established at Paoting.

5. The land state ownership law proposed some time ago by General Yen Shih-shan be enforced in the five provinces of Shansi, Suiyuan, Hopei, Shantung and Chahar. This be done on the basis of a five-year program and on a gradual basis, the first year in Shansi, the second year in Hopei and the fifth year in Shantung, subject to the approval of the Legislative Yuan.

6. The chairman of the Hopei Provincial Government and the mayors of Peiping and Tientsin be selected from among the members of the Shansi faction. The diplomatic powers of the five provinces of North China be given General Yen Shih-shan and the Central Government exercise supervision over General Yen.

MONGOLIAN WEST BANNER DISPUTE SETTLED

The dispute between the Mongolian Political Council and Prince Dorlchi of the West Banner has now been amicably settled following the mediation of the Executive Yuan. The three measures advanced by the Executive Yuan have been acceptd by both the disputant partise. These measures are (1) Suspension of Prince Dorlchi from his office for a period of eight months. (2) Withdrawal of all troops by the Mongolian Political Council to Pailingmiao, and (3) Full protection of the chief lama of the West Banner in Suiyuan.

RUMORS OF REVIVAL OF RED ACTIVITIES IN SZECHUAN DENIED

For the purpose of dispelling rumors concerning the revival of Red activities in Szechuan, an interview on the actual bandit situation was recently given by Yang Yung-tai, Chief Secretary of the Provisional Headquarters of the President of the Military Agairs Commission, to the press in Nanking. Since their flight to Sungfan, Lifan and Moukung, western Szechuan, Mr. Yang stated, the Reds under Hsu Hsiang-chien were joined by those under Chu Te and Mao Tse-tung who entered Szechuan from northern Yunnan. During the months of August and September, the Central Government and Szechuan troops, under the personal supervision of General Chiang Kai-shek, President of the Military Affairs Commission, took steps to hasten the campaign. The marauders were surrounded at several points east of Tanpa, north of Moukung, west of Lifan, and south of Sungfan. Chains of blockhouses and compact defense works have since been erected by the combined government and Szechuan troops to check the flight of the outlaws. In view of the cold weather, shortage of food and constant attacks by the native Lolo tribesmen, the Reds have made desperate attempts to break through the cordon thrown by our troops, Mr. Yang said.

Owing to dissension between Mao Tse-tung on the one side and Chu Te and Hsu Hsiang-chien on the other, the former, allying with Peng Te-huai, fled to eastern Kansu with from 5,000 to 6,000 outlaws by way of the Szechuan-Chinghai-Kansu border. Assailed by the Government troops en route, they were reduced to half their number upon reaching northern Shensi where they established contact with the Reds under Liu Tzu-tan. With the creation of the Commander-in-Chief's Headquarters of the Northwestern Bandit-suppression Forces, and in view of the limited strength of the Reds under Mao Tse-tung and Liu Tzu-tan in northern Shensi, their liquidation is only a matter of days Mr. Yang predicted.

As regards the main forces under Chu Te and Hsu Hsiang-chien, who remained in western Szechuan, they attempted to move eastwards to seize food supplies, Surprise attacks were made on Tanpa, Moukung and Paoching where the Szechuan troops were forced to withdraw on account of poor communications, shortage of food, and ammunition.

By the despatch of government reinforcements to Kaohingchang, Tienmenkwan, Shuikowchang, Chingyuanssu, Pinglochang, Mingshan and Sintsing, the Reds have been halted from moving eastwards but sanguinary fighting is expected momentarily at these strategic points. With the present compact government defenss, the Reds will find escape difficult, Mr. Yang said in conclusion.

CHIANG ORDERS ADEQUATE ANTI-RED DEFENCE WORK IN SZECHUAN

A stern order threatening severe punishment for neglect of adequate defense measures against the "Reds" has been issued by General Chiang Kai-shek, to General Liu Hsiang, Commander-in-Chief of the Szechuan Bandit-suppression Forces, and other ranking commanders of the Central Government and Szechuan troops. In the drive against the Reds, General Chiang instructs, the Government troops must resolve to wipe out the outlaws or die in the attempt. Should any units fail in courage and retreat at the first sign of trouble, they be punished according to martial law without any leniency whatever, General Chiang warns.

Latest development in the anti-Red campaign in northeastern Szechuan and northern Shensi was reviewed by Gen. Ho Ying-chin, Minister of War, in a press interview Nov. 7. Gen. Ho confirmed current reports that a fierce encounter between Government troops under Gen. Wang Yi-chih and the Reds took place early this month at Kanchuan in north Shensi, in which both sides suffered heavy casualties. Gen. Ho said that the penetration of Communist bandits from Hsikang and Szechuan into northern Shensi needs not cause undue alarm, as these Reds, who are under the command of the notorious chieftains, Mao Tse-tung and Peng Teh-huai, are only five thousand in number with less than four thousand rifles. Reverting to the sithation in northeast Szechuan, Gen. Ho intimated that the Red remnants there are sugering severely from lack of food and clothing.

The Kung Shan Jih Pao in Hongkong reports that endeavors are being continued by the Communists in the northern districts in Honan to seek connection with the Reds in Shensi, by way of Tsurhow hsien. Nine divisions have been organized by the Communists to launch vigorous attacks against the Government force. Several hundred Communists suddenly appeared in the district of Menhsien on the border of Shansi. The Reds have established organization for making investigations in the regions and the villages are filled with Communists slogans and posters. Similar Communist organizations are working in the districts of Chaoshan and Jenhsien where many local militias and police detachments have been defeated by the Rds.

The Shanghai *Nippo* reported that Pen Teh-hwei, one of the prominent commanders of the Red Army in China has come to Shanghai secretly. Steps are being taken by Nanking to arrest the Communist leader.

Sun Chuan-fang Assassinated by Woman in Tientsin

Marshal Sun Chuan-fang, formerly military governor of the five southeastern provinces of Kiangsu, Chekiang, Anhwei, Kiangsi and Fukien, was assassinated by a Chinese woman in the afternoon of Nov. 13 at a meeting of Buddhists in the Chinese city in Tientsin. He was hit by three bullets from the back and died almost instaneously. After the shooting, the woman, who subsequently was found to be the daughter of General Sze Chung-pin, former associate military governor of Shantung, who was executed by Marshal Sun many years ago at Pengpu, surrendered herself to the police and declared that the purpose of her assassination of Marshal Sun was to avenge the death of her father.

Marshal Sun, a native of Lincheng, Shantung, was 50 years of age at the time of his death. He is survived by a wife and four sons, the eldest of whom is a student at the Yenching University in Peiping.

Chinese Financial Measures Well Received by Nation, But Japanese Are Hostile

ONE of the delicate points to be decided in connection with the Chinese currency system is as to whether the foreign banks in China will give up their stores of silver to the Chinese Government banks in exchange for banknotes. The Foreign Bankers Association last week dispatched a letter to Dr. H. H. Kung, Minister of Finance, assuring him that all the bankers are willing to cooperate fully with the Chinese Government in its monetary reform program, but that a definite decision regarding the handing over of silver could not be reached until the receipt by all the banks concerned of instructions from their respective diplomatic representatives. The general opinion of the managers of the foreign banks is that the handing over of the silver held by them is not essential to the success of China's financial program. The Shanghai *Mainichi* Nov. 13 stated that the Hongkong & Shanghai Banking Corporation despite its independent position in regard to the transfer of silver to the Chinese banks, had finally joined the ranks of all foreign banks in Shanghai during the second conference held by the banks in regard to this matter of transferring their silver stocks. The *Mainichi* added that as a result of all other foreign banks still standing by their refusal to deliver their silver to the Chinese authorities the collapse of the new financial system of China will be accelerated.

Japan Will Not Co-operate in China's Currency Reform

The Central Bank of China, acting unde instructions from The Central Bank of China, acting under instructions from the Finance Department of the Nanking Government, communicated to the representatives of the Japanese banks in Shanghai under date of November 4 the contents of the currency reform and demanded the Japanese banks to transfer their ownership of silver to the Central Bank. The Japanese banks decided to refuse the request. The Japanese press generally has shown hostility and predicts disaster to China's currency reform measures.

The Japanese are using to their influence in North China to have the banks there refuse to cooperate with the Nanking Government. The Tokyo *Nichi Nichi* of Nov. 7 said :—

Already two days have elapsed since the Chinese Government suddenly sprang the silver nationalization decree on the financially straitened country but foreign cable reports and information reaching banks in Tokyo state: "The indications are that the National Government decree has not been promptly obeyed throughout China. Because of lack of response on the part of some local areas the measure is already said to be facing failure. Chief among disobedient localities are Hopei, Shantung, Chahar and Suiyuan Provinces in North China, Fukien Province, Kwangtung and Kwangsi Provinces in South China."

Japanese Banks Refuse to Give Up Silver

The Japanese banks in Shanghai as the result of conferences passed a resolution Nov. 6 not to surrender their silver holdings under any circumstances but keep their silver amounting to 10,000,000 yuan in their warehouses.

Japanese Paper Says Silver Decree Will Hasten Deflection of North China

The Shanghai *Mainichi* in an editorial dealing with the situation following the issuance of the decree by Nanking in connection with the new monetary system commented that the enforcement of the nationalization of silver will accelerate the process of separation of various regions from the Central administration.

The Shanghai *Nippo* expressed the same idea.

Takahashi Sees Japan Joining North China in Stopping Silver Shipments

Japan "will probably" join North China in curbing the exportation of silver withdrawn from circulation out of the region, Lieut.-Col. Takahashi, Japanese assistant military attache told the press in Peiping Nov. 9.

"If the Nanking government insists upon taking the silver away by force, Japan, because of her common interests with North China, will probably oppose the action as a nation," he said.

Asked for comment on the repeatedly denied but recurrent rumors that Great Britain had extended a loan to China, Lieut.-Col. Takahashi said: "We shall have to probe to the bottom such a breach of faith by Britain."

Japanese Officials to Study China's Currency Reforms on the Spot

Takeo Yumoto, chief of the National Treasury Section of the Tokyo Finance Bureau, and Masamichi Yamagiwa, a secretary of the Bureau of Banking Affairs of the Ministry of Finance, are enroute to Shanghai via Hsinking to study China's currency reforms on the spot.

Japanese War Minister Gets Report on China Currency Step

A detailed report on conferences held among the officials of the Ministries of War, Navy, Foreign Affairs and Finance on China's latest currency reforms was made Nov. 12 to Gen. Kawashima, War Minister, by Col. Seichi Kita, Chief of the China Section of the Army General Staff.

Japanese War Office Hits Chinese Currency Reforms

Strong opposition to the currency reforms announced by the Nanking Government and to foreign loans to China was expressed by a spokesman of the War Office in Tokyo, Nov. 8. "The Chinese people, suffering from years of maladministration, presently rely only upon silver, but not on banknotes. Therefore, the Nanking Government's decree on the nationalization of silver cannot be carried out. If pressure is employed to enforce it, serious commercial, financial, economic and political repercussions will necessarily be felt," he declared.

"Furthermore, as the reforms were instituted without previous understanding with local governments and military chieftains, they seem to be reluctant to comply fully with the Central Government's orders.

"Should the Nanking administration seek to impose its new regulations on local units, political friction will result," the spokesman continued.

"Japan will not agree to loans to China, whether joint or independent, devised to aid China in her plan to nationalize silver and control currency. The financial projects of the Chinese Government are impossible to realize, because of the present political situation, national mores and economic characteristics," the spokesman went on.

"China's long history shows," he continued, "that her economic rehabilitation must come of her own efforts. Foreign attempts to establish control over the financial and economic structure of the country through the grant of loans, will, in our opinion, not only affect the welfare of China's 400,000,000 people, but will also menace the peace of the Orient."

"Japan may be compelled to take appropriate steps in this connection," the spokesman said.

"Suddenness" of China Money Reforms Regretted in Tokyo

The "suddenness" of the Chinese financial reforms, was regretted by a spokesman of the Foreign Office in an informal statement, in Tokyo Nov. 10. In taking action on a matter of such importance, the Chinese Government should have consulted the Japanese authorities and secured assurances of their co-operation, in view of the close relations existing between the two nations, the spokesman said. The Government, he continued, has received no communication from the Chinese administration on foreign loans. It has noted, he added, that both the British and Chinese authorities have denied that British loans were in any way behind the Chinese currency reforms.

The Japanese Government, the spokesman went on, believes that any reforms of general character in China must be carried out through China's independent efforts.

Japanese Bankers Sceptic of Dr. Kung's Measures

Japanese banking circles are openly sceptic of the success of Chinese efforts at stabilization, a message from Tokyo Nov. 4 said. "We doubt if the £10,000,000 British loan will be sufficient to steady Chinese exchange," a leading banker, acting as spokesman, said. "Anyway such an effort appears impossible to us unless the support of the foreign banks in China can be secured. Moreover, we believe it unlikely that China will lend itself to the experiment of nationalizing silver and halting conversion at a time when the majority of the metal is in circulation and in view of Chinese national characteritics.

"We do not think is possible for China to follow the American example of nationalizing gold and then devaluating its currency," he added.

Japanese Military Oppose Nanking's Currency Measures

Charging that the financial measures enacted by the Chinese government were designed to "fatten the pockets of certain Nan-

king officials and to obtain military funds," Japanese army officials Nov. 9 declared themselves opposed to the currency innovations.

Tientsin Banks and Officials Balk at Shipping Silver South

A *Rengo* message from Tientsin, Nov. 9 stated that the first open act of opposition to the Government's monetary reforms has been that the Chinese bankers and municipal officials of Tientsin Nov. 9 joined in a decision to keep Tientsin's silver in North China. Meeting in the home of Mayor Chen Keh, delegates of the Bankers' and Native Bankers' Guilds concurred with city officials in three resoultions of far-reaching effect:—Count all silver being held by the various banks; report the amounts to the guilds; seal the vaults and prevent any attempt to ship the bullion to Nanking or to Shanghai; entrust Wang Hsiao-yen, president of the Native Bankers' Guild with setting up a fixed rate of exchange between paper notes and copper coins; secure police supervision at all wharves, stations, roads leading out of town and other necessary points to prevent the smuggling out of silver.

Japanese War Minister Says China's Finance Reforms Are Anti-Japanese

China's financial reforms are an instance of the Nanking Government's anti-Japanese and anti-Manchukuo attitude, Gen. Kawashima, War Minister, told the press Nov. 5 while on his way to attend the annual grand military maneuvers. Gen. Kawashima did not give the reasons for his belief.

President of Judicial Yuan Says Monetary Policy Is Sound

Legal considerations regarding the new monetary policy of the Government were dealt with by Chu Cheng, President of the Judicial Yuan, in the course of an address at the weekly memorial service at Central Party Headquarters in Nanking, Nov. 11.

President Chu said the new monetary policy is not only efficacious but also logical; in fact, it is satisfactory simply because it is logically sound. Referring to the provision in the decree that "no use of silver dollars or bullion for currency purposes is permitted and any contravention of this provision is punishable by confication of the whole amount of silver seized. —any individual found in illegal possession of silver shall be punishable in accordance with the law governing acts of treason against the State,"—President Chu pointed out that this law was originally enacted to deal with the Communists. For application in cases of violation of the monetary decrees of the Government, it is likely to be inadequate, particularly in view of the fact that it makes no provision whatever regarding punishment for *attempts* to commit a crime. The defect could, however, be remedied, he said by the Legislative Yuan enacting a set of supplementary regulations in support of the Law governing acts of treason agains. the State, by the Judicial Yuan rendering a special ruling regarding application of the said Law, or by the enactment of a separate law governing punishment for violation of currency control.

Dr. Franklin Ho Says Finance Ministry Has Overlooked Four Important Points

Four important points have been overlooked by the authorities of the Ministry of Finance in promulgating the latest decree on the nationalization of silver, in the opinion of Dr. Franklin Ho, noted economist and dean of the School of Commerce of Nankai University. If the decree were promulgated, say two years ago, Dr. Ho opined, the economic depression during the past two years as resultant from an excessive outflow of silver might have been averted.

While admitting that the new silver measures would considerably stimulate the growth of commerce and industry, Dr. Ho expressed the opinion that the decree had overlooked four important points. They are:

(1) The various commercial banks will be able to abide by the decree in the matter of making the notes of the three leading government banks legal tender and unifying the issuance of notes by the Central Bank But there will be no little difficulty with the various provincial banks.

The various provincial banks usually issue a large amount of banknotes without sufficient reserve. It is therefore doubtful whether they will be able to voluntarily redeem these notes with legal tender.

In the event of their inability to put forth enough silver currency for legal tender notes to redeem their own notes, the Ministry should render assistance by investing official capital in the bank.

(2) According to the decree all business transactions, payment of taxes and obligations should be conducted with legal tender notes instead of with silver dollars, and anyone found violating the decree shall have all the silver dollars confiscated.

There will be considerable difficulty in the interior, because there is inadeqate supply of legal tender notes in the small districts. Therefore the various postal and telegraph offices in the interior shauld be entrusted with the work of helping to exchange their silver dollars for legal tender notes.

This is the only way to popularize the use of legal tender notes in the interior. Or the Government should utilize legal tender notes in all public enterpises so that there will be a natural inflow of legal tender notes into even the smallest village.

(3) From the decree measures it is seen that its supervision is limited only to currency, such as cash and banknotes, but not to transactions on credit. It is concerned primarily with bank reserve but not credit loans.

(4) In adopting managed currency there should be a standard of control. It should be based on either the index number of wholesale price, or the index number of the costs of production, or the average requirement of currency of the population.

Gen. Chiang Kai-shek Urges Full Support for New Monetary Policy

The new monetary policy is fully supported by General Chiang Kai-shek. In a circular message to the various provincial and municipal Governments Nov. 7, General Chiang urged that the measures contained in the National Decree, issued by the Ministry of Finance, should be fully carried out, so as to reform the currency system, increase the liquidity of finance and relieve trade and industry. The Provincial and Municipal Governments are enjoined to instruct their subordinate organs immediately to accord adequate protection to the banks and explain the policy to the general public.

A. B. Lewis, Professor of Rural Economics of the University of Nanking and member of the silver committee of the Ministry of Industries, in an interview Nov. 7 stated that a managed currency is the best way to save China from her economic crisis. Three distinct advantages are seen by Prof. Lewis in the nationalization of silver by the Chinese Government, namely, the general rise of price level and the consequent revival of rural economy, the gradual restoration of domestic commerce and industry, and the increase of Government revenue.

Peiping Wants More of the Three Banks' Notes

The nationalization of silver having created a shortage of the three Government banks' legal tender notes in the old capital the Peiping bankers' and money dealers' associations addressed urgent telegrams to the Central Bank, the Bank of China and the Bank of Communications in Shanghai for more notes to facilitate the withdrawal of silver dollars from circulation. Chiefly due to the manipulations of speculators, prices of many kinds of commodities, including rice, petroleum, oil and other daily necessities, soared. To remedy the situation, the Chamber of Commerce met Nov. 6 when measures for checking unscrupulous speculations were discussed.

Following an urgent meeting summoned by Mayor Chen Keh, and attended by Liu Yu-shu, Commissioner of the Bureau of Public Affairs, and various financial leaders, the following measures will be carried out in Tientsin:—Silver possessed by the banks shall be registered, and shall not be sent to the Central Bank of China; measures will be taken to prevent the further decrease in the price of the silver dollar, and further increase in the price of coppers.

As a result of conference between General Shang Chen, the Chairman of Hopei, and General Sun Cheh-yuan, the Garrison Commander in Peiping and Tientsin, as well as the conference of General Shang with the financial leaders in Tientsin, a decree has been issued by the Provincial Government of Hopei to the effect that silver must not be exported from the province. Moreover, the provincial autnorities are watching the activities of the branches of the Central Bank of China, the Bank of China, and the Bank of Communications closely. A Tientsin message to the Shanghai *Mainichi* Nov. 11 said many people in the region regard this step as a prelude to the economic independence of North China from Nanking.

Tientsin to Have Reserve Board Branch

It is learned that in compliance with a request of Tientsin and Peiping banks, the Ministry of Finance will authorise the opening of a branch of the Currency Reserve Board in Tientsin to look after the silver reserves against legal tender notes in circulation in the North. Chou Tso-min, managing director of the Kincheng Banking Corporhtion, has been named chairman of the branch board.

The branches of the three Government Banks at Changsha, provincial capital of Hunan, are setting aside $1 million for loans to merchants with a view to relieving the acute commercial depression.

The various banks at Hsuchow have agreed to enforce the legal tender notes, in conformity with the order of the Ministry of Finance.

Since the enforcement of the monetary reform a boom has been registered in the export trade in Tsingtao, where exports have increased by 40 per cent.

The various business houses and merchant shops in Chinkiang are complying with the new silver decree.

Among the municipalities which have registered the silver in their possession with the Ministry are Shanghai, Nanking, Hangchow, Amoy, Nanchang, and several others. The registration it is understood, has been made either directly at the Ministry or through the local branches of the Central Bank in the various localities concerned.

Voicing full support of the orders of the Ministry of Finance for the nationalization of silver and use of banknotes of the Central

Bank of China, Bank of China and Bank of Communications as legal tender, the Shanghai General Chamber of Commerce, in a telegam to the Ministry Nov. 6 said that the Chamber will lead all commercial guilds in the enforcement of the measures. It requests the Ministry to take firm steps to stabilize the prices of commodities and control foreign exchange so as to give unscrupulous elements no opportunity to obstruct the new measures.

One hundred and sixty-three commercial guilds in Shanghai also wired to Minister H. H. Kung pledging support for the new monetary policy of the Government.

One million dollars in legal tender notes was shipped to Changsha, provincial capital capital of Hunan, by the Hankow Branch of the Bank of Communications, Nov. 11.

A committee for the stabilization of commodity prices at Wuhu, in Anhwei, is being organized according to a resolution adopted at a meeting of representatives of the various commercial bodies convened by the local authorities. The meeting also fixed the exchange rate of coppers at 310 coppers per dollar.

A message from Nanking, Nov. 12, stated that the monetary reform decreed by the Government is gaining greater momentum as its enforcement becomes more effective in the hinterlands.

Foreign Banks in Hankow Comply With Financial Decree

The foreign banks in Hankow are cooperating in the financial decree issued by the Ministry of Finance last week making the banknotes of the Central Bank, the Bank of China, and the Bank of Communications, legal tender and nationalizing silver. In compliance with the notification, the Hongkong and Shanghai Banking Corporation and the International City Bank of New York are stated to have sent reports to the Hankow branch of the Central Bank of the amount of silver currency in their reserve. It is estimated that Hankow has about $1,000,000 metallic currency in circlation in the makret.

Shensi Governor Orders Observance of Silver Decree in His Province

Shao Li-tsu, Chairman of the Shensi Provincial Government, telegraphed from Nanking Nov. 11 to the Shensi Provincial Government ordering the strict enforcement of the silver decree. Mr. Shao explained in his telegram that the currency reform measures as embodied in the decree are designed to concentrate the silver dollars in the National Treasury so as to prevent their exodus and to build a sufficient reserve for the issuance of legal tender notes. Now that all the other provinces have taken steps to carry out the new decree, Mr. Shao orders that it is incumbent upon the authorities of Shensi to see that it is strictly enforced throughout. Shao gave instructions that the Provincial Authorities should also undertake to explain to the people the scope and intents of the new decree.

Chahar and Suiyuan Said Opposed to Nanking's Reforms

Opposition to currency reforms instituted by the Nanking Government is being voiced by the officials of the Chahar and Suiyuan Provinces, according to reports received from Japanese consular officials stationed in the area. Chahar officials allegedly express the view that the measures will be difficult to enforce, as all commercial transactions in Inner Mongolia are made in silver bars.

Suiyuan Points Out Difficulties of Carrying Out Silver Measures

Suiyuan province is confronted with two major difficulties in connection with the question of complying with the new silver decree issued by the Ministry of Finance, a Kweihua message Nov. 8 stated. It is pointed out that the silver dollar has always been and still is the medium of exchange in all trade transactions between Suiyuan and Sinkiang. If the decree is to be unconditionally carried out, all trade relations between Suiyuan and Sinkiang would be virtually at a standstill.

Kiangsu Government Imposes Fixed Standard Money Exchange Rate

In a proclamation issued at Chinkiang Nov. 8, the Kiangsu Provincial Government ordered that until further notice each dollar shall be exchanged at the rate of 12 ten-cent pieces (dimes) or 300 coppers. This standard rate of exchange has been fixed in order to suppress the illegal practice of the various money exchange shops in freely raising or lowering the rates according to their free will to the disturbance of the local money market.

Foreign Banks' Silver Operations Disturb Canton Finances

A certain foreign bank in Shamen, the foreign concession of Canton, was found to have purchased large quantities of silver at $1.50 in legal tender for $1.00 silver, a Hongkong message in the *Shun Pao*, November 12 stated. This action of the foreign bank allegedly caused serious disturbance of financial conditions in Canton. The Kwangtung Provincial authorities are taking drastic actions around Shamen to prevent people from carrying silver into the concession.

Mei Feng Bank of Szechuen Withdraws Notes

In pursuance of instructions from the Ministry of Finance, the Mei Feng Bank of Szechuen, whose head office is at Chungking, has withdrawn almost all its banknotes from the market. This action is in accord with the policy of the Government.

Import Quota to Be Introduced by Chinese Government

It is reported that following the introduction of the new currency system, the Chinese Government will elaborate measures to control exchange, in order to limit the quantity of imports. As a preliminary measure, the import traders will be registered by the Government, which will give them permits to import certain kinds of goods from other countries.

However, the introduction of this system will meet many difficulties including the failure to repay foreign loans, which have been secured by the revenue of the customs house. As a matter of fact, the limitation of the imports will inevitably load a decrease in the revenue of the customs house.—*Shanghai Nippo, Nov. 7.*

Tokyo Officials Discuss China's Financial Decree

The financial measures taken by the Nanking Government were discussed by officials of the Gaimusho, Finance Ministry and the Yokohama Specie Bank in Tokyo at an emergency meeting Nov. 4. The main attention of the officials has reportedly been devoted to the discussion of the probable effects of the Chinese decree on the nationalization of silver on the Sino-Japanese economic relations.

Export of Silver from Kwangtung Prohibited

In a proclamation issued Nov. 11, the Finance Department of the Kwangtung Provincial Government strictly prohibited the export of silver dollars from the province.

Over $8 millions of silver dollars were replaced by legal tender notes at Canton during four days, it is reliably reported. Notes of the denomination of $100 have been issued by the Kwangtung Provincial Bank.

Canton Banks Resume Business

All banks in Canton have resumed business. A loan of $1,300,000 was extended Nov. 9 by the Kwangtung Provincial Bank to the local banks in order to tide over their temporary difficulties. Of this sum, $500,000 in legal tener notes were handed over to the Canton Bankers' Association, and $800,000 to the Canton Native Bankes' Guild.

Period for the Redemption of Szechuan Notes Extended

In a telegram to the Ministry of Finance, the Chungking branch of the Central Bank of China has requested that the period for the redemption of bank notes issued by miscellaneous Szechuan banks be extended for one month. The Chungking office declared in the telegram that a total of $30,000,000 worth of bank notes of the Szechuan bank have been redeemed by bank notes of the Central Bank of China, the Bank of China, and the Bank of Communications. However, another sum of $1,000,000 circulated in the border districts of the Province have not yet been redeemed. According to a message from Chengtu, provincial capital of Szechuan, in two days a total of over $300,000 in silver dollars was exchanged for legal tender notes by the Chengtu branch of the Central Bank of China.

All banks in the Peiping-Tientsin area have reported the amount of their silver reserves to the Ministry of Finance. In order to stabilize commodity prices, the Peiping Chamber of Commerce called a meeting of representatives of the various local commercial guilds. A proclamation has been issued by the Municipal Government threatening stern measures against profiteers.

The value of coppers at Tsinan, provincial capital of Shantung, continues to drop, the rate of exchange Nov. 11 being 460 coppers to a dollar. A consignment of $300,000 in legal tender notes reached Tsinan from the Central Bank of China.

The price of rice at Taiyuan is becoming normal. The monetary situation at the Shansi provincial capital remains stable.

The figures published by the Government authorities on the amount of silver reserves in Shanghai are not reliable, the Shanghai *Mainichi* of Nov. 10 stated. The total reserves of both Chinese and foreign banks in the city on November 4, was stated to be $331,460,000, while on November 9 it was given as only $289,143,000, the decrease in the sum being the result of a revision in their reports by the Chinese Government.

"Izvestia" Comments on Currency Reforms in China

"Is the readiness of British and possibly American capital to render China serious financial assistance concealed behind this reform?", Moscow *Izvestia* asked Nov. 11 in an article entitled "Curreney Sensation," dealing with financial reform in China. "If such assistance is not to be given, then the entire undertaking to reform the currency will inevitably end in a gigantic crash and cause a further increase in the chaotic destruction of China and only tend to speed up the rate of the Japanese advance," *Izvestia* commented.

Central Bank to Expropriate Land for Wharf Development at Chiu Creek

Formal approval has been given by the Ministry of. Interior to a plan submitted by the Central Bank of China for the expropriation of a tract of land immediately behind the wharf property at Chiu Creek (Ju-kong), above Woosung, Shanghai, for an extension of the wharf.

SHARP COMMENTS BY JAPANESE PRESS

Foreign currencies are still being purchased in Shanghai; banks are forced to engage in exchange operations.—*Asahi's* special from Shanghai, Nov. 6.

Shanghai exchange people are apprehensive that currency reform without loan may cause alarm.—*Asahi's* special from Shanghai.

China was too hasty in having effected her currency reform; Dr. H. H. Kung and his faction acted in too great a hurry, even in disregard of Britain's intentions; China's internal trouble is bound to result in self-destruction, Foreign Office authorities in Tokyo think.—Tokyo *Miyako*, Nov. 6.

The Hongkong and Shanghai Banking Corporation gets a huge profit by removing silver before China enforces silver state ownership; gets $18,000,000 of silver out of country and gains profit of $6,000,000 to $7,000,000; Japanese banks and traders did not know of China's silver nationalization and envoy the British banks' profit—*Asahi's* special from Hongkong, Nov. 7.

Rumor is circulated that America will also extend a loan of about $200,000,000 to China, though American embassy makes denial.—*Nippon Dempo* reports from Shanghai, Nov. 6.

The United States may change its silver policy due to China's currency reform; argument in support of silver purchase is given fatal blow; it is being observed that American government will be forced to move Congress to change silver policy.—*Asahi's* special from New York, Nov. 6.

China's ignoring of Japan constitutes anti-Japanese action.—*Nippon Dempo* report from Nanking, Nov. 6.

Soviet Russia and Great Britain may be co-operating to bring pressure to bear on Sino-Japanese co-operation; there may be a plot behind the silver state ownership plan.—*Yomiuri* special from Peiping, Nov. 6.

British Loan as an Anti-Japanese Action

It is learned from reliable quarters that a loan of £10,000,000 has been concluded by the Chinese authorities with the three British banks in Shanghai secured on the revenue of the custome house within the next thirty-five years. By this step, the Chinese Government has neglected her assurance to the Japanese Government and paves the way for the international control of the country. This is a step towards anti-Japanese activities, which will further aggravate Sino-Japanese relations.—*Shanghai Mainichi, Nov. 7.*

Those who deny the existence of the British loan state that it is highly doubtful whether or not Great Britain and China dare to declare an economic war against Japan under the present political conditions. Moreover, a large sum is not necessary for monetary reform, because, according to these circles, funds may be created by the profit which will result from the nationalization of silver. Other quarters are of the opinion that the Chinese Government can stabilize the State budget and meet its international payments by funds including the British loan of £10,000,000 (about $150,000,000) and the surplus revenue of the customs house, with the full support of Great Britain. It is reported that the credit was given by the British American Tobacco Company to the Chinese Government in the form of the payment of considerable tax in advance.—*Shaughai Nichinichi, Nov. 7.*

Behind the scene of the revision of Chinese currency system, a British loan of 10 million pounds has been concluded by the Chinese Government, secured against the surplus revenue of the customs house. Moreover, the British Government has obtained the rights to engage in the reconstruction of Chinese railways and to read just the 40,000,000 dollars of capital investment in the construction of railways in China. Both the ministries of railways and communications of the Nanking Government will be reorganized.—*Shanghai Mainichi, Nov. 4.*

Chinese and Japanese Securities Slump in London

A fairly appreciable drop was witnessed on the London Exchange Nov. 11 in Chinese and Japanese securities, some of them declining by as much as two points, this weakness being generally explained by the Chinese monetary reform and the resulting Sino-Japanese tension. The Hongkong and Shanghai Banking Corporation's shares were not exempt from of the downward trend in Far Eastern stocks and dropped.

Japanese Say British Loan Would Cast Gloom on Sino-Japanese Co-operation

A Shanghai message dated November 4 to the *Tokyo Nichi Nichi* said "the Nanking Government's revolutionary currency policy has given a rare shock to financial circles in Shanghai. It is clear, said the message, that the present scheme is the combined work of Sir Frederick Leith-Ross, Ambassador Cadogan, Finance Minister H. H. Kung and T. V. Soong. It is a fact also that in order to let China carry out the new policy some form of British credit arrangements have been made. So far neither Chinese nor British circles have said anything to admit the conclusion of a loan but it is indicated that a loan of £10,000,000 has been concluded. It is said that as the security for the loan the Chinese side will offer the tax that the Anglo-British Tobacco Company pays to China."

"It is being further stated that British has made an important guarantee to China for China's financial relief and that both Finance Minister Kung and T. V. Soong have consented to devoted surplus tariff revenue and railway property and railway revenue as security for such guarantee."

"China's attitude," the message to the *Nichi Nichi* continued, "which ignored Japan may be regarded as an outspoken economic challenge of the so-called European and American faction of H. H. Kung and T. V. Soong to Japan. It completely betrays the opportunity for Sino-Japanese economic co-operation and Japan's expectation for China's self-recovery."

Tsingtao Bank Manager Released on Bail

After five and half months of imprisonment, Chang Chiung-po, manager of the Minghua Commercial and Savings Bank, at Tientsin and his son have been set free on bail by order of Admiral Shen Hung-lieh, Mayor of Tsingtao. The bankers were released on the ground that the Bank which declared voluntary liquidation in June has now completed arrangements with the creditors with regard to repayment measures. Chang is now back in the bank making final arrangements with the creditors under strict surveillance of the authorities, it is learned.

British Assist Chinese Currency Readjustment

A note was sent by the Central Bank of China to all the foreign banks asking that all silver be transferred to the Government banks in exchange for the banknotes issued by the three Government controlled banks of China. In reply, the Japanese banks only acknowledged receipt of the letter. The Shanghai *Mainchi* stated that the Hongkong and Shanghai Banking Corporation and other British banks apparently had consented to transfer all their silver reserves to the Central Bank of China in exchange for the full legal tender of the Chinese banks. The Japanese paper expressed the belief that the management of the Hongkong and Shanghai Banking Corporation is one of the organizers of new currency system adopted by the Chinese Government, and that, therefore, the British banks will comply with the demand of the Chinese authorities in regard to the transfer of silver to the Chinese banks.

On October 26, the silver in foreign banks totalled $36,768,000 of which $10,503,000 were in the Japanese banks, while $8,036,000 were in the Hongkong and Shanghai Banking Corporation.

Four Japanese Arrested as Silver Smuggling Suspects in Shanghai

Four unidentified Japanese, suspected of attempting to smuggle silver out of China, were arrested by the Japanese Consular Police on the N.Y.K. Wayside Wharf as they were about to embark on the s.s. *Nagasaki Maru* for Japan on Nov. 6. Their beggage, consisting of six rattan containers, was also seized and taken to the Consular Police headquarters. One suspect was said by the authorities to be a resident of Shimonoseki.

Chinese Members of Yunnan-Burma Commission Leave for Fuhsuan

The Chinese members of the Yunnan-Burma Boundary Commission, accompanied by a retinue of more than 40 persons, departed from Kunming, Oct. 30, for Fuhsuan, where they will meet the British members of the commission and Col. Iselin, neutral chairman from the League of Nations. Before the departure of the Chinese members, the Yunnan People's Foreign Affairs Association presented to the investigators a number of recommendations concerning the demarcation of the boundary between Yunnan and Burma, among them being: The Salween River should be set as the southern borderline between Yunnan and Burma; the section between the Nanting and Nanpan Rivers should be demarcated as the future Yunnan-Burma boundary line; China should propose the nullification of all documents in dispute; Chinese members should demand the automatic withdrawal by the British authorities of their military, political and communications facilities set up at the east of Salween River.

Julian Oil Company in Oklahama to Be Reorganized

An echo of the affairs of the late C. C. Julian, who committed suicide in a Shanghai hotel last year, was heard in Oklahama City Nov. 10 when Judge R. P. Hill appointed a receiver of the Black Warrior Oil Co., a move regarded as an important step towards the reorganization of the C. C. Julian Oil & Royalties Co. The receiver of the latter company, J. W. Harreld, recently stated that it was becoming solvent again, after being in a parlous state for the past two years on account of poor business and a mass of litigation.

Uprisings in North Due to High Taxes, Japanese Intrigue and Dope Trade

The following notes were written by one of a group of American newspaper correspondents who visited the scene of the recent rising of peasants in the Demilitarized Zone of North China.

HEARING of new peasant uprisings, this time in a number of villages in the demilitarized zone in North China, one of them in the town of San Ho, 35 miles northeast of Peiping, a group of American newspaper correspondents hired a motor car on Oct. 28 and started for said town in order to make investigations. The poorer peasants said the taxes were too heavy and too uncertain. They never knew what new taxes would be imposed, for new ones were always being imposed. The peasants seemed to know little or nothing of the Japanese. To them, the Japanese are peddlers of dope—morphine, heroin, and opium, and to them the Japanese flag is a flag hung before Japanese drug shops. The peasants are very poor, their villages most miserable looking places, and even the little girls have bound feet. The conditions seem to be much the same as they have been for centuries. However the peasants seem intelligent, though their knowledge is limited by the conditions under which they live now and have lived for centuries. They know all about taxes, the price and condition of the land they cultivate, and about the nature of officials. From word of mouth they knew all about the social factors in the Hsiang Ho uprising, but they did not know of the Japanese hand in it. The Japanese reports said the peasants had besieged the town gate. The reader should note that San Ho district is in the demilitarized zone, and that Hsiang Ho (the town) is on the border of the zone. The walls of San Ho are crumbling into ruin, and there could be no necessity to "besiege" it. Anyone can enter the town through the wall at a dozen different places without any difficulty at all. The Pau An Tui and the police guard the gate to the town because the main road leads through it. But one can also walk up over the walls and go right through them at many other places. It was market day. Inside one shop we met a Chinese and a Korean who wore red woolen sweaters—the same kind of Japanese woolen sweaters that one can buy in Peiping at a very low price. Since hundreds of people followed us to see what we were going to buy, we did not buy drugs lest it be a demoralizing influence on them. But one of us, with our Chinese interpreter, went away to one shop just to buy some morphine. A Chinese clerk showed us a package of drugs but asked us to wait until Mr. Nakamura, the Japanese owner, returned. The drug was very expensive, he said, and his boss would not allow him to sell it lest he steal some of it. He asked us to go up the street to another shop also owned by Mr. Nakamura, where we could buy what we wanted. Our Chinese interpreter asked the clerk if he, our interpreter,—would have any trouble with the police if he bought the drug. The clerk replied. "No—if you do, the Japanese will protect you."

In the market town of San Ho, 35 miles to the northeast of Peiping, weekly markets are held. The Japanese have 10 drug shops in the town, most of them on the main market streets. A Japanese flag hangs before each shop and this flag has come to mean heroin, cocaine and morphine.

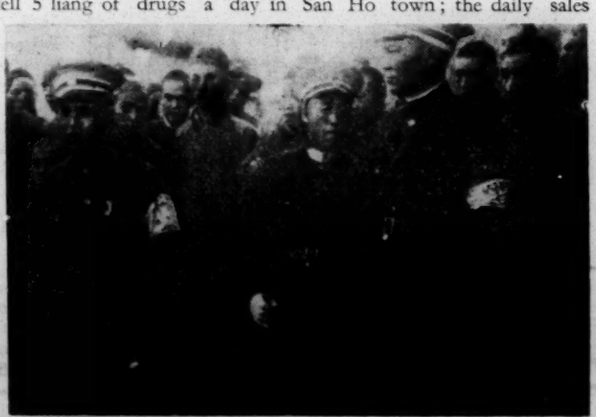
New Tax Plan Stirs Up Peasants

In San Ho hsien there are 317 villages and 660,000 mou of cultivated land. The basic main land tax is 20 cents per mou, collected twice a year, since there are two crops a year—that is, 10 cents per mou is collected twice a year. The peasants had previously complained that this was much too high. The average value of land in this region, they say, is from $10 to $15 per mou. This seemed very low to us, but we asked in many other villages and found it to be true. Yet the Provincial government values the land at $30 per mou, and taxes it accordingly. This basic land tax goes directly to the Provincial Government. Apart from it, there is a *hsien* (district) surtax, imposed as a temporary tax for hsien expenses. It amounts to 4.2 cents per mou, collected twice a year. Then, apart from this, there are numerous other surtaxes levied at will by the tax collectors who are, at times, town and villages headmen, etc., etc. Taxes are also indiscriminately levied on the peasants for various expenses of the towns and villages, such as taxes for the upkeep of the village temple, for the village militia, the watchmen, for "education"—when no child of the poor peasant can go to school—for miscellaneous expenses such as the visits of officials or of tax collectors themselves. The tax collectors personally impose many taxes which never go to the provincial or hsien governments and these bring up the total sum paid by the peasants to fully twice the taxes paid to the provincial and hsien governments. The total taxes paid to the Provincial Government from San Ho hsien amount to $46,000 a year, the total hsien surtax levied for hsien government expenses amounting to $27,720 a year. (The Pao An Tui are paid by the Provincial government from a special office).

The trouble with the peasants started because the Provincial Government had drawn up a new plan for taxation, by which the *hsien* surtax was to be made a *permanent* tax, and the peasants were to pay all their taxes *directly* to the government at a number of hsien towns. This would eliminate the tax collectors and the many miscellaneous taxes.

Japanese and Koreans Sell Narcotics

A Pau An Tui officer told us that the Japanese and Koreans sell 5 liang of drugs a day in San Ho town; the daily sales



The special Pao An Tui of Hsiang Ho town, who act as the armed force of the Japanese puppets, wear the same uniform as the regular Pao An Tui of the demilitarized zone except for a cloth on the arm, which reads "farmers' militia."

amount to $200. If the Chinese police arrest the customers, he said, the Japanese protest to the magistrate, who releases them.

We asked who the Japanese were in the city apart from Mr. Nakamura, the owner of two drug shops; the chief secretary told us that a Japanese gendarme by the name of Nakayama, had arrived from Malanyu on Oct. 24. He had presented his papers to the magistrate. Since the Chinese had often protested because of the activities of the Koreans, this Japanese gendarme said he had come to control the Koreans.

Copy of Proclamation posted at East Gate of Hsiang Ho city, signed by Wu Yi-tang. The first part of the proclamation tells how the former magistrate, Chow increased taxation and ill-treated the people. The present was a demand for the reduction of taxation and for "self-determination." "The evil doings of the former magistrate remain unpunished," it read. "But now punishment has come upon him. The Japanese have come and kicked out the monsters and have had pity upon our sorrows. They have come to help their neighbors. We must have a self-controlled government. First we must unite family by family, village by village, and hsien by hsien. (Here the 'uniting' business ends). We hope our countrymen will arise and follow the revolt. This is the way of wisdom."

Oct. 27, 1935. WU YI-TING, chief of representatives of the people.

We asked about the activities of this Japanese gendarme but this chief secretary could not, or did not, tell us. We all immediately realized that this man was a Japanese sent into San Ho to organize an uprising such as that at Hsiang Ho, to spread a movement to justify the establishment of a north China "independent" government. I was convinced that this is the reason the Japanese sent out reports that there had already been an uprising in San Ho town. We asked if there were telephone connections between San Ho and Peiping, but learned there were only telephone connections with Malanyu on the Great Wall (controlled by the Japanese), and between Malanyu, Tientsin and Peiping.

I was firmly convinced that the Japanese reports of a peasant uprising in San Ho were nothing but advance news of what the Japanese gendarme Nakayama is trying to do. For there has been no uprising of any kind in San Ho.

We then turned due south across country to Hsiang Ho-hsien, to investigate the peasant uprising there. The peasants, we found, knew all about the land taxes, but nothing about the Japanese hand in the Hsiang Ho uprising. Three li from the east gate of the district town of Hsiang Ho we halted at a village where many peasant men were gathered around an open, primitive blacksmith forge talking.

They were at first afraid of us, for they did not know who ruled north China and who we were. Perhaps we were high officials come to arrest them for their share in the Hsiang Ho uprising. Perhaps they thought we were Japanese. Only when we told them that we were only foreign journalists coming to collect news would they talk. Then they spoke angrily about the taxes. They had all taken part in the uprising. One peasant had been killed and three wounded, they said. This angered them very much. They said that a new surtax of 17.10 cents per mou, to be paid every 6 months, had been imposed, and they were against it. They did not know that the Japanese had anything to do with the uprising, or that the Japanese stood behind the landlords—official leaders. They were against the taxes.

In this little conversation, it was clear that the peasants had indeed revolted against the taxes, but that the revolt had been organized and exploited by men inimical to them, and that now they were not only being kept in ignorance of events, but were being used as mere pawns in a dirty game. They were sincere in denying that they knew anything of the Japanese hand in these events, and they were sincere in their struggle against the taxes. From the beginning to the end, the legitimate interests of the peasants were merely being exploited by the Japanese and their Chinese henchmen.

We drove on to the east gate of the district town of Hsiang Ho. All the other three gates were closed. At the entrance stood a number of rather tough-looking armed men clad in the black uniforms of the Pau An-tui. But unlike the regular Pau An-tui, they had additional red bands around their caps,—a Japanese touch—and on their arms was white cloth on which the words "Farmers' Militia" were written in black ink. Immediately we saw a new proclamation posted on the wall before us. It was written by hand and was signed by "Wu Yi-ting, chief of the representatives of the people." It was dated October 27, 1935, the day before we arrived. Composed in rhymed couplets, it purported to give a summary of the grievances of the people. It was couched in the old feudal official lauguage of past dynasties.

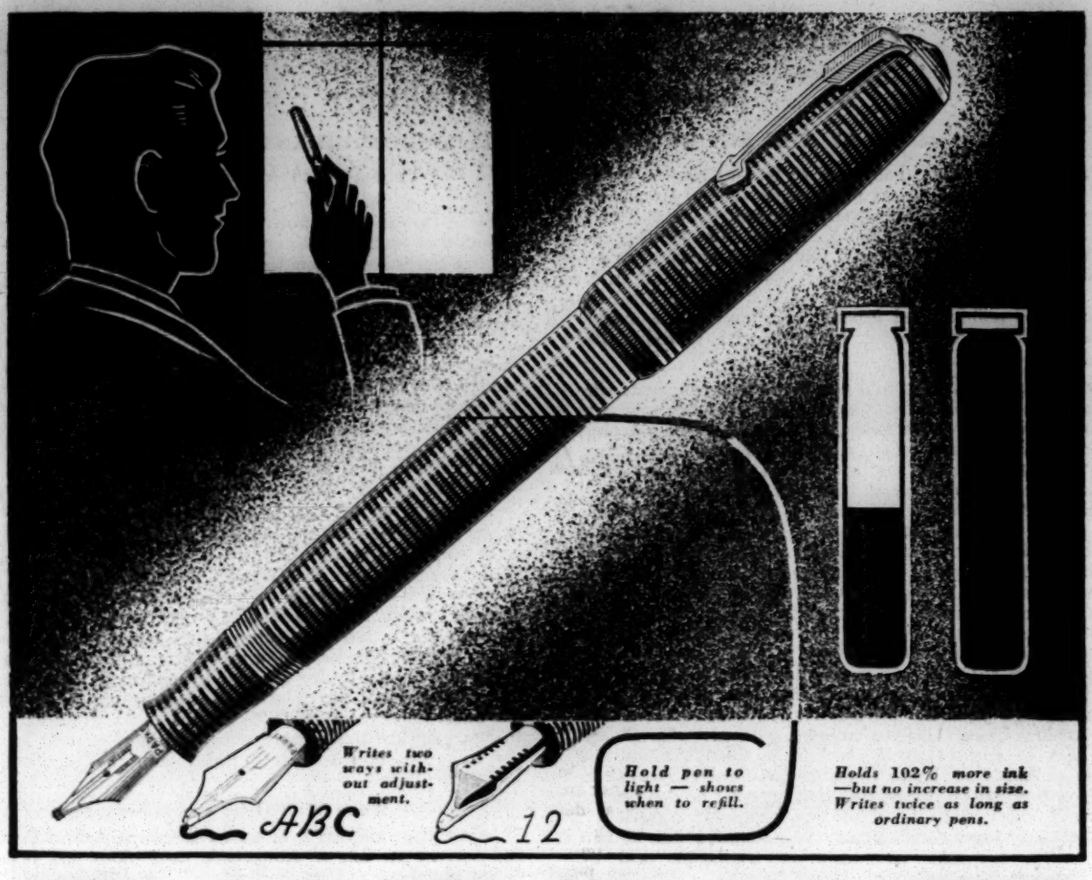
In our investigations thereafter in Hsiang Ho and elsewhere we learned that Wu Yi-ting, one of the leaders of this revolt, had been a chief police secretary in the old Peking Government in 1921-22, and was a member of the old pro-Japanese Anfu clique. His family home was some 30 li outside of Hsiang Ho. His son, Wu Chuang-hwa, is a member of the present Pau An-tui of the demilitarized zone and speaks Japanese, so was perhaps educated in Japan and has had close Japanese connections. We learned also that, whereas this present proclamation, written by hand, was the second proclamation, the first proclamation *had been printed in Peiping* long before the revolt took place. It had undoubtedly been prepared by Wu Yi-ting and his gang, together with the Japanese.

While we were waiting at the magistratie's office there entered a choice character who might have stepped right out of the pages of the San Kuo. It was Kao Tsung-ching (also called Kao Tsung-chang), the new chief of police. It was he who, a few days before, had stood on the city wall and, like a character from the San Kuo, talked down to a Chinese army officer about Liu Yao-tung, the new magistrate sent by by Provincial Government to Hsiang Ho. "Yes," Mr. Kao had shouted down to his interrogators while armed men stood about him, "Mr. Liu is our prisoner. We are giving him plenty to eat and plenty of opium to smoke. We are treating him well."

Kao Tsung-ching, the landlord who has been made chief-of-police of Hsiang Ho by the Japanese and their Chinese puppets.

Corruption in Land Tax Collection

Mr. Kao is a short, heavy-set fellow with a round head and square face. He has a tendency to a black beard but it would not grow and he had not shaved. He was clad in a long grey cotton gown with a black silk short jacket. Kao began telling us what he considered the origin of the revolt. The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Provincial Government had imposed a surtax of 17.01 cents per mou on the land, to be paid twice yearly (17.01 cents every 6 mos.), he said. Added to the main land tax, this would mean 30-40 cents twice a year. He said there had been many corrupt men connected with the former administration. For instance, there were 900,000 mou of land in Hsiang Ho hsien, but the former magistrate rendered an account for taxes collected from 400,000 mou only. So the people of Hsiang Ho hsien demanded to know what had happened to the taxes collected from the additional 500,000 mou.

He claimed that the people demanded "self-determination" for Hsiang Ho hsien. They wanted the right to vote and to have their own assembly. The people, he said, were against the public ownership of land or against the redivision of the land. Here we could not help but remark that it was strange that peasants should refuse land if it should be taken from the big landlords and given them. We later asked this gentleman Kao how much land he owned, and he replied: "Enough to eat from!" Kao told us that when the peasants revolted against the old magistrate, the gates were closed. The old magistrate ran away, but the chief of police was captured when he jumped off the wall and tried to escape. Four peasants were shot, one of them killed, one through a leg, two slightly wounded. We asked him if it was not the Japanese who opened the gates of the city and let the demonstrators in. Kao's eyes rolled all around and then he said: "No, it was the Chinese members of the Chamber of Commerce who opened the gates of the city." But we knew it was the Japanese who opened the gates of the city.

Young Women in South Africa Want Correspondents in China

Editor, *The China Weekly Review*:—

We are European sisters, under 29, who would welcome correspondence with any of your European or Chinese readers of either sex desiring to learn something about this country. Being interested in photography and philately and reading newspapers and periodicals of any description we shall gladly reciprocate with those who write and care to send us personal or scenic snapshots, stamps (used or unused) or reading matter.

THELMA AND MARJORIE CARSTEN.

Charmaine, St. Leger Road,
Claremont, Cape, South Africa, Sept. 12, 1935.

Kwangtung Government Pays $150,000 Compensation in Swatow Incident

It is reported that from Canton that in their reply to the Japanese demands in connection with the Swatow incident, the Provincial Government of Kwangtung has consented to pay $150,000 as compensation. Moreover, the provincial authorities have granted the Japanese permission to build a wharf and godown in Swatow. Many Chinese traders are hoisting the Japanese flags in order to hide the fact that they are smuggling Japanese goods, the Peiping *Chen Pao* of Oc. 16 stated.

Visit of Japanese Officers to Southwest Causes Keen Speculation

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

FOLLOWING very close to the visit to South China of Major-General N. Okamura, who completed his tour of Canton and Kwangsi this week, another equally important Japanese military officer, Lieut-General T. Hashimoto, former Vice-Minister for Military Affairs in the Japanese Cabinet (until last September) arrived in Hongkong on November 1 by the *Canton Maru*. It is his intention to undertake a tour of South China making first-hand observations of a political and general conditions in a manner similar to that which his colleague, Major-General Okamura had just completed.

Lieut.-General Hashimoto told newspaper correspondents who interviewed him on board the *Canton Maru* that his tour was entirely for the purpose of sightseeing, but to South China observers there is definitely something more than the scenery of Kwangtung or that of Kwangsi which prompted such an important visit. In his own words Lieut.-General Hashimoto told the newspaper correspondents that anything pertaining to political and economic problems would be looked into by Major-General Okamura, who assumed responsibility in these matters during his present visit in South China. This statement has planted a strong impression among the newspapers in the South that these Japanese officials actually visited here because they wanted to obtain the views of the South-western leaders regarding the new Japanese policy in China, as outlined in a resolution of the recently held Japanese military conference at Dairen, the same policy having been further discussed at the Japanese military-political conclave held in Shanghai, in which high Japanese consular officials from Canton and other ports in China also participated. Exactly what are the responsibilities of Major-General Okamura in these "political and economical problems in South China" Lieut.-General Hashimoto was not in a position to discuss and in like manner he also refused to talk about other aspects of the present highly complicated relations between China and Japan. He admitted that he had come out only a few days ago from the conference held by Japanese officers at Formosa on Oct. 25.

Japan's Overture to The South-west

The keenest speculation has been caused in both Canton and Hongkong regarding the presence of these Japanese officers here in view of the strong rumors prevailing that Japan is endeavoring to make some overture to the South-west government by which the Japanese hope to extend their economic aggression in Kwangtung and Kwangsi, which, with their thickly populated ports and districts, have, for years, been substantial fields for Japanese products.

Canton's attitude towards Japan and her doings in Manchuria has always been that of urging the adoption of a stronger foreign policy than the one now exercised by the Chiang Kai-shek government. But these anti-Japanese utterances were mostly expressed through the medium of the Canton politicians, men like Chow Lu and Hsiao Fu-chen, members of the Canton South-west Political Council. But behind them there exists the real power and men who hold the key to the South-west situation.—I refer to General Chen Chi-tang and Li Tsung-jen, the commanders-in-chief for Kwangtung and Kwangsi respectively. These warlords are in fact more practical in their outlook on things military and political. Altlhough at this moment it is difficult to perceive the extent to which the Japanese have won the confidence and support of the military group it is rather significant that Major-General Okamura, when speaking to the Hongkong newspaper representatives through his attache, stated that he was impressed by the good government in Kwangsi. He said that the economic and administrative position in Kwangsi was quite good and that the Kwangsites were doing their best to develop their provincial regime, a thing which was rare in China and scarcely to be found in any other province. In short, Major-General Okamura was so impressed by Kwangsi that he actually extended his stay in Nanning to four days, returning to Hongkong only on November 1.

Swatow Smuggling Incident Closed

Hardly had the public attention been diverted from the Swatow rice smuggling incident, in which Japanese were alleged to be involved, than the steamer *Kam Wing Yuen* engaged in smuggling artificial silk, piece-goods and beans together with a crew comprising six Formosans and two Japanese officers, was seized by the Chinese Maritime Customs officers. The steamer *Kam Wing Yuen* was encountered by an armed launch of the Customs and attempted to make off with the smuggled goods, but during the subsequent chase the steamer was held. The foreign officers and the booty were taken to Swatow, where the Commissioner of Customs promptly had the smuggled goods confiscated. The Japanese members of the crew were handed over to the Japanese Consul, who called to see the Customs officials the following day, while the Chinese prisoners were put on trial at the Chinese court in Swatow.

Canton Shocked by Assassination Attempt

Although it was but a few days ago that the South-west Political Council in Canton was endeavoring its best to urge the inclusion of its bill to the sixth plenary session of the Kuomintang Central Executive Committee asking for the punishment and even the resignation of Wang Ching-wei (President of the Executive Yuan and Foreign Minister) the whole of the South-west was really shocked during the week-end when first information reached here of the dastardly attempt to take the life of Mr. Wang. That Mr. Wang is one of the best known Kuomintang leaders who is much worshipped by his ardent Cantonese supporters is a fact which cannot be denied so easily. But at the same time he is one of the most misunderstood politicians in Canton because of the vast amount of manufactured propaganda pamphlets which had been produced since 1932 by men of the Hu Han-min party in directing their attack on Mr. Wang.

Among other things the Hu Han-min party here charged Wang Ching-wei of being pro-Japanese, which many here consider to be very far from the truth. It is almost the unanimous opinion of the observers here that Wang Ching-wei, even if his "Cabinet" failed in their task to urge the government to use a stronger policy towards Japan and Manchukuo was because Wang Ching-wei has been the victim of circumstances. Himself an ardent disciple of the late Dr. Sun Yat-sen, a patriot and a great statesman, Wang Ching-wei is still to-day admired by numerous overseas Chinese, who rightly think that if given the opportunity he and his party can much improve the chaotic situation in which China finds itself to-day. Against this complicated background it must be admitted that real power does not rest in reality with the president of the Executive Yuan.

Wang Praised by the Newspapers

In this connection it is seen that newspapers in South China and Canton are full of sympathetic expressions and praise about Wang Ching-wei and his difficult role in Nanking. Commenting on the cowardly attack on him the *Sonth China Moruing Post* said that the "Nanking outrage increases an already great tension in the background; like a chorus are repeated Japanese demands upon China, as part of Japan's effort to compel China to cease resenting insult and injury and to lick the hand that beats her. In any country militarily more prepared than China the incident would at once project the shadow of war . . . . Nevertheless the deplorable affair must be attributed to the hostility between China and Japan, for if the perpetrator was not acting in Japan's interests he was acting for Chinese "patriots" who accused Wang Ching-wei of being pro-Japanese. If so, it is a tragic illustration of the effects of bandying accusations for party political purposes, and the very outspoken propagandists have now either to retract their charges or bear some of the responsibility.

"In his book published last year, Wang Ching-wei, though he was one of the revolutionaries sponsored by Japan, revealed none of the Japanophilia of which his critics have accused him, but wrote strongly on the rape of Manchuria and made no plea for pan-Asianism or the acceptance of Japan's "protection." He did not repudiate the Nineteenth Army's action at Shanghai. He denied that the Central Government made secret overtures to Japan for a compromise. "How could China and Japan in the present circumstances possibly come to a compromise? Is Japan prepared to give up the Three Eastern Provinces and Jehol, abandon her present policy of aggression and dissolve the puppet regime in so-called Manchukuo,"—thus wrote Wang Ching-wei in 1924.

Wang Ching-wei's book continued by saying "If pressed beyond the limit, the Government will not hesitate to make whatever sacrifice may be necessary. Ours is not a defeated nation as Germany was in 1918, and those who gratuitously advise us to surrender and accept terms forget that we are only at the beginning of our struggle for international justice. The moment a united domestic front is achieved, China, with her large population and extensive territory, will be able to defend herself against Japan, however wealthy and militarily powerful the latter may be. Although a few cities may fall into the hands of the invaders, Japan will not be able to conquer China, even if she should mobilize and send over two or three millions of picked troops."

Again in Canton where the anti-Wang Ching-wei atmosphere is thickest at the moment for reasons I explained earlier in this article the *Canton Daily Sun* has this much to say about Wang Ching-wei: "In Wang Ching-wei China has one of the greatest statesman of modern times, one who if given the chance, would pull the nation out of the morass and put it on equal footing with the family of nations, one which no nation would dare to kick about as is being done now, one whose voice would carry weight among the nations of the world." Referring to the alleged pro-Japanese policy of Wang Ching-wei the same journal says that "Wang Ching-wei was a victim of circumstances."

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If Wang Ching-wei should die from his serious wounds it will indeed be a great loss irrecoverable to China and the Kuomintang party. This much is admitted even to-day by his political opponents in the South. Consternation actually prevailed for some hours in the afternoon of November 1 in Canton, when the news was received that Wang Ching-wei was shot. The attempt made on his life immediately after Wang Ching-wei's sincere appeal before the inaugural opening of the sixth plenary session of the Kuomintang Central Executive Committee for internal solidarity (a statemen directed more to the South-west government than to other factions in China) was really tragic.

A special emergency meeting was called at the South-west Political Council at noon the same day when General Chen Chi-tang and Messrs. Hsiao Fu-chen, Chow Lu, Lin Yun-koy (provincial chairman of the Kwangtung government), Liu Chi-wen (Mayor of Canton) and Chen Yung all participated. The same afternoon the Council sent a telegram to the Central Government extending their sympathy to the wounded official or officials and enquiring after the condition of Wang Ching-wei.

It is learned from usually reliable sources that in Canton there were in fact high hopes for a sincere consolidation of interests and responsibilities among the various Kuomintang factions with the assistance of the Kuomintang congress in Nanking. Canton was surprised to hear that men like Generals Feng Yu-hsiang and Yen Hsi-shan (whose military coalition in 1930 in Honan, Shensi, Shansi and Kansu nearly overthrew Chiang Kai-shek) and other former opponets of Chiang Kai-shek such as General Hsu Sung-chi and Madame Liao Chung-kai had also arrived in Nanking to discuss the prospect for a re-union among the Kuomintang factions. In fact the leaders' assembly in Nanking encouraged the rumors that the Kuomintang was about to work out some new policy against Japan. But this optimism has now been shattered by the shooting outrage.

U.S. Ships Now Here Will Not Attend Inauguration Ceremony at Manila

The U. S. S. *Augusta*, Admiral Murfin's flogship, which has been on a trip to Bangkok was expected to reach Manila by Nov. 15 to take part in the inaugural ceremony. Practically all of the destroyers of the East Asiatic fleet together with the *Black Hawk* were also expected to be present. The Yangtsze Patrol boats, the *Sacramento*, *Asheville* and *Tulsa* are remaineding in North China.

O. J. Todd's Elimination as C. I. F. R. C. Engineer Officially Announced

The Announcement is made in the latest issue of the *Famine Commission Bulletin*, published monthly by the China International Famine Relief Commission, of the termination of the services of O. J. Todd as chief engineer—with "profound regres" and as result of financial stringency.

It is recorded that originally it was intended to terminate Mr. Todd's services in October last year, but since then his servicet had been continued. In this connection, the *Bulletin* says, "Mr. and Mrs. Todd left Peiping on April 19. An official farewell reception at which they were guests of honor was given by the Commission at the Western Returned Students' Club on April 18, Mr. Todd has returned to China with his family on October 21 on the *President Hoover*. The Todds are taking up their residence in Peiping since October 25. In view of his long experience in his work, it is probable that the E. C. may decide to invite him to serve the Commission in an honorary advisory capacity. In that event, further details will appear in our next issue."

Birthday Anniversary of Dr. Sun Yat-sen Is Celebrated Nov. 12

In commemoration of the birthday of Dr. Sun Yat-sen, the late Kuomintang leader, the Shanghai Kuomintang held a meeting in the Wen Miao Park, Wen Miao Road, Nantao, Nov. 12. Representatives of Chinese official organs and public bodies were in attendance. All Government and Kuomintang offices, educational institutions, and the majority of Chinese industrial concerns, observed the day as a holiday.

The birthday anniversary of the late Leader was celebrated with great enthusiasm at Canton.

Korean Assassinated in Village Near French Concession

A Korean named Li Tai, about thirty years of age, was shot and killed by another Korean in a village, near Route Vallon, Shanghai, Nov. 15. The assassin entered Li's house on the pretext of wishing to rent a room. Li Nan-sei, 26-year-old Korean, who lived on the ground floor of the same house has been detained for investigation by the Japanese Consular Police. Both political and business motives were given as possible reasons for the crime by the local Japanese press. Deceased was stated to be a clandestine morphine manufacturer.

Stalking the Educational Bugbear in Peiping

BY HAROLD E. HANSON

ANYONE privileged to close the university chancellor's door from the inside will deny two persistent rumors about the schools of Peiping: first, that the colleges of North China have been pigeon-holed in the plans of the Kwantung army; and second, that Peiping's cultural leadership has been hobbled by recent political unrest. Quite the contrary. From accompanying first hand data the conclusion is patent that Peiping universities are as strong today as in any year of their history; and six weeks of questioning has failed to uncover a single instance of Japanese interference in educational affairs.

Last spring, when Japanese soldiers were disembarking from gunboats in Tientsin, reports in the whispering gallery clearly indicated that three Peiping universities were moving to the Yangtze valley,—Yenching, Northeastern, and Peking National. The speculations proved to be unofficial, and the three schools are now opened with increased enrollments. Peking National University gave tangible evidence of its intention to remain in Peiping by adding three new buildings to its campus during the past summer, at a cost of $250,000.

Two national colleges, it is true, migrated southward, but the motive was purely financial. The Customs College and the College of Salt Administration were transferred to Shanghai where they were combined with similar institutions at a considerable saving. High officials are agreed that the change bore no relation to political affairs; in fact there is already talk of reopening a branch of the Customs College in Peiping, this time in combination with the College of Railway Administration.

Great Interest in Japanese Language

To say that sixteen out of the nineteen colleges in Peiping are teaching the Japanese language is enough to make the penny sages wag their heads and cry, "I told you so." But the high percentage betokens no more than the French schools which teach German and *vice versa*. As a matter of fact, fifteen of these schools were teaching Japanese prior to the Mukden incident, prior to any Japanese control over North China. The only school to add Japanese since that date is the Y.M.C.A. Commercial College. The number of students studying Japanese has grown phenomenally in the last twelve months, at least doubled and probably trebled. The widespread demand for Japanese teachers has led to the opening of two night schools devoted exclusively to the Japanese language.

Possible interference by the Japanese in educational policy, such as demanding the change of a text book, or the removal of a *persona non grata*, or the cessation of heresies in the classroom, the writer has investigated from a number of angles, but not one authentic instance has been found even of a request for a change. Japanese military survey parties have mapped the buildings and grounds of every large school in the city, but this mapping work is not limited to schools; it includes commercial buildings, missionary compounds, social clubs, in fact any structure pretentious enough to catch the fancy of a military man. The only school which may have been buttonholed by foreign interests is Min Kuo University, recently besieged by Japanese creditors demanding back rent on the Manchu palace used as a campus. The newspaper accounts, it now appears, were painted with a big brush by an enterprising Chinese reporter; and since the financial settlement was reached, professors of the university have perceived no change in policy.

The whole situation of higher education in Peiping was succinctly summarized by the president of a large private university when he said, "The Japanese Kuantung army has apparently contemplated no policy of cultural interference in North China comparable to that now enforced in Manchuria. Unless they draft such a plan and coerce its adoption with military threats, our universities will remain aloof to the present political changes."

Change or no change, the numerical strength of Peiping universities in October, 1935, suggests genuine health. The total students in the city increased slightly over the 1934 figures, from 13,447 to 13,517. This is almost a third of the college students in China, who in June, 1935, numbered 46,000. The number of professors and instructors in Peiping showed a considerable decrease, especially in the national universities, the total dropping from 2472 in 1934, to 2347 in 1935. Retrenchment in faculties is a part of the national program adopted in 1934, aiming to reduce salary expense and invest the saving in new buildings. The budgetary figures submitted by the nineteen colleges and universities are not very reliable, but taken for whatever they are worth, the total is slightly under ten million dollars, almost identical with the 1934 total.

This present strength of Peiping universities would seem to indicate a long continued cultural leadership, for several reasons. First of all, the former palaces and government buildings have supplied most of the colleges with their present campuses at little or no cost. The four schools which have erected entirely new buildings—Peking National, Tsing Hua, Yenching, and the P.U.M.C.— have together invested more than $25,000,000, reason enough to keep these schools in Peiping for many years. Beside the campus, Peiping can offer a library system unrivalled by any other city in China. In the twenty-seven cooperating libraries a registered university student has access to a million Chinese volumes, to 500,000 books and serials in European languages, and to 5,000 different magazines and newspapers. Finally, there is still a sort of reverence for the old capital, a feeling of respect mingled with pity, as for a besweatered old man in an autumn wind.

STRENGTH OF PEIPING COLLEGES AND UNIVERSITIES

	Instructors		*Students*	
National Schools:	1934	1935	1934	1935
1. Peking University	150	159	991	1011
2. Peiping University	669	617	1201	1388
3. Nat'l Normal University	129	120	835	700
4. Tsing Hua University	193	215	1102	1261
5. Chiao T'ung University	34	31	162	172
6. Army Veterinary College (Shou Yi)	25	25	200	200
7. Nat'l College of Fine Arts	40	57	110	200
Municipal Schools:				
8. Peiping College of Physicial Education	20	25	60	83
Private Schools:				
9. Sino-French University	150	150	2000	2000
10. Yenching University	116	113	800	884
11. Catholic University	106	91	684	728
12. Min Kuo University	167	150	629	523
13. Railway College (T'ieh Lu)	58	52	436	380
14. North China University	82	86	645	704
15. Northeastern University	133	97	759	657
16. Ch'ao Yang University	93	92	1324	1125
17. Peking Union Medical College	125	119	100	113
18. Chung Kuo College	145	113	1060	992
19. College of Commerce and Finance (Y.M.C.A.)	37	35	379	396
Total	2472	2347	13477	13517

Note: Figures for Sino-French University are unofficial estimates.

Peiping, November 5, 1935.

Student Revival in North China

BY HSUEH HAI-LUN

WHILE various government officials are lamenting the defeatist spirit prevailing over the Chinese people and appealing that they "awake from their lethargy and inactivity," North China students have attempted to organize again and in the name of "We, the people," have petitioned the Sixth Plenary Session of the Kuomintang "that the spirit of the Provisional Laws (of June 1, 1931) be respected and that the rights of free speech, press, assembly and association be put into effect and the illegal arrest of students be stopped."

The petition was signed by eleven universities and middle schools in Peking and Tientsin, represented by the popularly elected Students' Self-Government Associations, and 2,000 copies of the petition were mailed in 400 letters to every college, middle school, cultural institution and library of importance throughout the country, under date of November 1.

This is the first important student activity reported in the press since 1932 when in effect the schools were more or less placed under martial law during "the national crisis," and all anti-Japanese and Left revolutionary activities as well as general student organizations were strictly forbidden. After the demonstrations in Shanghai and Nanking in December, 1931, when the students commandeered trains for their purposes and descended upon government officials *en masse* demanding to know the government's "plans for the national defense," it was decided that the "obstreperous, undisciplined students' movement" must be brought under control by drastic measures. By the end of 1932, the campaign against the student movement was so successful that all open activity of a political nature was completely suppressed and the student bodies throughout the country terrorized into complete demoralization. The students charge that the methods used were often "illegal"—student leaders were kidnapped, secretly terrorized by threat or secretly arrested, and summarily tried by military court, or detained for months without trial, or often they simply "disappeared." It was necessary only to cry "Red! Red!" and any student activity could be outlawed with apparent righteousness. Of course, the students have as a majority since 1926 been Left-inclined, but under this label many flagrant abuses have occurred. Patriotic societies, study groups and even ordinary academic organizations which might for personal or any other reason be frowned upon by the authorities were frequently branded as "Communist" to give excuse for squelching all activity and prevent any "trouble" whatever, especially of a critical or anti-Japanese nature, which might prove uncomfortable for the authorities of the institution involved. Responsibility for "peace and order" in government schools was in

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fact placed with the local Bureaus of Public Safety and all organizations except those of purely routine nature had to be registered with the police, who attended their meetings. The result has been that where once the students had a vital and passionate interest in the affairs of the nation, they have now subsided into sullenness and apathy under the drastic suppression directed against them. Thus not a single protest has been heard from any school in Peking —the great "college city" of China where thousands of students are concentrated—during the recent critical situation precipitated in North China. Compare with this the historic significance of the Chinese Student Revolution which literally startled the world in the period following their defeat of the Anfu clique in 1919, and in fact directly roused the country to national consciousness for the first time, leading ultimately to the recovery of Shantung at the Washington Conference in 1932.

The present movement is an attempt to influence the Government to liberalize its present rigid dictatorship over all forms of public expression. The petition states that the students believe "that in this period of national crisis each citizen must individually shoulder responsibility and act to save his country; the earlier these bonds (preventing freedom of expression) are removed, the earlier will we, the people, be able to do our share."

In an interview with several leaders of the movement, the writer was told that the reason for making this attempt to regain the elementary privileges of democratic freedom of expression is that the youth of the nation—if nobody else—feels that the suppression has reached a critical limit and that if it is not lifted the national spirit will be so crushed that it can never rise to meet the present crisis. They expressed that belief that all over the country the youth of China is chafing under the severe dictatorial suppression imposed upon them by their own people, and in particular they feel very bitter at the brutality meted out to the youth of China since 1927, whose great fault has only been impetuosity and the desire to carry on the national revolutionary struggle for the emancipation of their people as best they could. Their manifesto states that "After the establishment of the government at Nanking, according to newspaper reports, the number of youths slaughtered totalled no less than three hundred thousand, and the number of those who have disappeared and been imprisoned cannot be even estimated." This sounds like a characteristically sweeping Chinese students' statement, but when questioned as to the authority for such a statement, they replied that this estimate included the youth of all classes who have been killed in the bloody struggle since 1927. The tragic part of the Left movement is that is was made up principally of very young people—students, young intellectuals, and the youngest of the working classes. They feel that the destruction of these fighting elements has actually depleted the reservoir of youth in China, and it is natural that every student should have a sense of solidarity with them. The students likewise feel that in China the student movement has a special role to fulfill such as in no other country. As no workable forms of democratic popular government have as yet succeeded in establishing themselves, the students as a body have represented a popular referendum for public opinion to express itself, and they have had a long and heroic struggle against whatever local military absolutism happened to be in power, as is well-known. In democratic America and liberal European countries, there is not the same necessity for an articulate body to represent the youth of the nation, who are well taken care of by law.

The students have declared to the writer that they have no connection with any political party, but represent merely a spontaneous reaction against the present dictatorial forms of control, and are anxious to receive the support of any liberal body interested in democratic freedoms. Their aim is to form a kind of loose federation to struggle for these rights if possible, but the likelihood is that their movement will prove abortive.

It is of interest to note that this movement originated at Yenching University, the most politically conservative university in China, but now relatively a haven of good old American democratic liberalism. Peita, cradle of the Student Revolution, and the hot-spot of student radicalism, is not even represented. The original petition was passed by a regular meeting of the Yenching Students' Self-Government Association at which some 600 students attended, and the Associations signing the document claim to represent the will of their various student bodies, which would possibly include some 8,000 to 10,000 students.

Peiping, Nov. 10, 1935.

Government Loan Redemption Drawing Results

Public drawings for the redemption of part of the principa of the 20th year (1931) Relief Loan (15th Drawing) and the 23rd Year (1934) Yu-ping Railway Loan (1st Drawing) were held in Shanghai, Nov. 9. The terminal numbers of the bonds drawn and the amounts to be redeemed were as follows:—

	Nos. Drawn	*Amount Redeemed*
20th Yr. Relief Loan:	61	$ 300,000.00
23rd Yr. Yu-ping Railway Loan:	20 47 76 83 and 95	600,000.00
	Total.....	$ 900,000.00

First National Judicial Conference in China

BY ANNA GINSBOURG

THE first National Judicial Conference of China, which was held in Nanking from September 16 to 20 of this year, being unprocedented in the history of Chinese Republic, was an event not only of great importance as far as the progress of judicial reforms in China is concerned, but of much interest to the general public as well, for, besides topics which have a direct bearing upon the judicial machinery, the conference had on its agenda problems relating to the present legal codes in the aspect of present day society in China. This, in our opinion, is the first step, leading to so much desired blending of judicial problems with the welfare of the masses and is, therefore, to be given utmost consideration.

The conference was attended by 166 presiding judges of the various district courts throughout the country and 48 legal experts and representatives of bar associations and law departments of various universities and colleges specially invited by the Judicial Yuan. The conference was divided into four sessions, each lasting one day and appointed several commissions in order to deal better with 204 proposals submitted to the conference for discussion.

The inauguration ceremony was presided over by Chu Cheng, President of the Legislative Yuan, who in his speech at the opening of the conference gave his views on the present conditions of the judicial system in China.

The following is a gist of his speech:

"In foreign countries," he said, "which have evolutionized more rapidly than China and where the governmental organization and stabilization of political conditions allow many reforms, the convocation of a judicial conference would not attract any special attention. It is different with China. The revolutionary phase of the Government's existence has even now not been completed and in such conditions the task of building up a new judicial system seems very heavy. China still hasn't got a permanent constitution, her laws and codes are mostly provisional and the independence of the Three Powers, legislative, executive and judicial exist merely in theory, judicial practice, for instance, being greatly exposed to the disturbing influences of executive exigency. The difficulties confronting the conference shouldn't, therefore, be underestimated. There is room for a great many reforms to be introduced into the present judicial practice, leading to development of a healthily operating system of Justice in the country."

Discussing the question, which is the best judicial system for China, Chu Cheng expressed his personal views on this matter. It should possess, according to his opinion, four main qualities. First of all, *the jurisprudence must be progressive and by no means static.* The modern rejection of the Confucian conception of law has to be emphatically endorsed and what is called by the scientist the Han Fei theory adopted and followed. Confucius and his pupils, as it is widely known, have preached the principles that the people should work out their own salvation and the less interference by the Government is made, the better. The Han-Fei theory however, in contradiction to the old doctrine, denies the theory: "The more Laws,—the more Law-breakers," and asserts the contention that the efficacy of a Law lies in its ability to meet practical modern needs. In this form it is accepted as better suited to the requirements of modern China.

Flexibility Is Necessary

Secondly, *the jurisprudence should be based upon experience and not upon a distant ideal.* Administration of justice must always be in conformity with social conditions and by means of gradual reforms the most distant ideal can be achieved and a most elevated doctrine transformed into practical administration of Justice.

Thirdly, *the jurisprudence must be universal*, but the application might be different in localities where social and economic conditions of life vary from each other. For instance, in cities industrial conditions prevail, while in villages the population is still much under influence of ancient customs and habits of rural life. Nevertheless, Law should be universal and to make it flexible at the same time will be the heavy task of district judges and magistrates of the country.

Fourthly, *the judicial system of the country should represent one organic whole*, various institutions being the integrant parts of one body. In order to achieve the highest degree of efficiency from the part of all organs, all the parts of the body are to be fully developed. Vertically, all courts of the country are organized in three instance, each of them having its own sphere of activity, but at the same time well coordinated with each other. As soon as one of them neglects its duties, the result is corruption and chaos. Horizontally, the proper development of such organs of justice, like associstions of lawyers, departments of Law or Law faculties in universities, organization of management of prisons and detention houses, all contribute to the success or downfall of the progress of judicial reforms in the country.

These are the four main principles of a well developped judicial system, according to opinion of one of the best China's authorities on Law, Chu Cheng, based upon deep knowledge of his country's necessities in this field and observations derived during the long period of his studies and travelling abroad. It will be of interest to mention here, that it was Chu Cheng who some time ago moved the Government to depute three high officers of the judicial service to visit Europe, America and Japan for the purpose of studying the system in force in other countries Shih Chih-chuan, a former Vice-Minister of Judicial Administration and Hung Wen-lan, a Departmental Director of the same department, were sent to Japan: Tan Shen, the Vice-President of the Judicial Yuan visited America and Europe. These three deputations all returned with what was described by Chu Chen as "valuable proposals for the Government's consideration." To supplement the information thus provided with expert assessment of the actual working of the judicial system in China, Wang Yung-ping, Minister of Justice, made an extensive tour of inspection of judicial conditions in the north-western provinces for a period of more than one month, returning to Nanking just before the opening of Judicial Conference. The genesis of the latter had been formed by material, carefully collected by mentioned officials in China and abroad, summarized and submitted for discussion of the problems involved.

The agenda of the Conference was so vast and embraced so many issues of vital importance, that to review all of them is an impossible task. Out of the total of 204 proposals, submitted for discussion, we shall name a few, dealing with the most acute problems of judicial progress of China.

Among these the problem of judicial finances is one of the most difficult, as it requires urgent solution. A proposal to petition the Central Government for the national treasury to defray all the judicial expenses of the country was adopted, with the suggestion that such funds be derived from the income and inheritance taxes which are to be enforced in the nearest future. But prior to realization of this scheme—that is, before the Ministry of Finance is financially capable of bearing the total national judicial expenses—provincial governments should continue to shoulder the responsibility of appropriating judicial expenses in their respective provinces as it was all the time. Other proposals, included into the first group, discussed on the day of Conference's inauguration, were: establishment of new Circuit Courts, which proposal was adopted and entrusted to the Ministry of Justice for execution, the promotion of education of prisoners, the improvements of the judicial police system, the problem of possibility of lawyers to represent their clients in defence in Hsien Courts, where the district magistrates preside as judges, etc. The last question became the subject of most heated arguments and was therefore referred to a specific committee in charge of such problems.

At the second session of the Conference, among 44 proposals discussed, most of which were adopted, the proposal of the organization of a Judicial Research Institute in China, made by Tan Chen, Vice-President of the Judicial Yuan, which was not only adopted, but the Institute itself was formally inaugurated is a very interesting novelty. Its constitution provides the establishment of branch institutes in various principal cities, and of correspondence offices abroad for the purpose of drafting legal codes which will be adapted to Chinese conditions. The scope of its activities, as set forth in Art. 18 of its constitution, extends beyond purely judicial or legal problems. Political, social and economic topics which directly or indirectly concern the judicial welfare of the country will be subjects of its research and discussion. The Institute will hold a plenary session once a year. These eligible for membership include: all Chinese citizens who are either graduates of Law departments of universities, of law schools in China and abroad, connected with governmental organs and engaged in work, which bears a close relation to judicial or legal affairs, connected with social welfare institutions whose work concerns legal or judicial affairs, or contributors to the progress of law, are welcomed of take active part in the work of the Institute. The inauguration of such institute is, according to our opinion, a distinct step forward in the field of judicial reforms, which paves the way for further improvements in China's judicial system.

Another interesting proposal, submitted to the Conference for discussion was the Chinese Marine Officers' petition asking for the establishment of a Mairne Court in China. The gist of this petition is the following: "Collision of ships is not an infrequent occurrence, therefore it is inappropriate that disputes arising out of such accidents should be heard by ordinary courts, the judges of which usually possess no experience of navigation. During the past few years many such cases have been misinterpreted, in which numerous captains and officers of ships have been unjustly punished under charges of the Criminal Law. Such unjust judgment in such cases by the courts, if allowed to continue, will greatly handicap the profession of the Chinese Marine Officers. With a view to protecting the interests of Chinese season and retaining the navigation rights of China, this Association has presented the petition to the National Government requesting it to establish the Marine Court."

The problems of re-organization of judicial police, the revision of regulations governing the management of prisons, establishment of children's prisons and detention houses for

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains										Up Trains								
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep. Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,, Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,, Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,, Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr. Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep. ,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	5.50	
10.38		12.47		18.03	Stop	1.10	14.47	,, Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,, Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52		14.42		20.11		3.32	16.39	,, Tang-shan - -	,,		4.15	10.30	12.50	16.37	2.58		
13.39		15.17		20.47		4.20	17.14	,, Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,, Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,, Chang-li- - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,, Pei-tai-ho - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,, Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr. Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep. ,,	arr.						21.26		
		16.25						arr. Shenyang (Mukden)	dep.						10.15		
FOR SHANGHAI			FOR PUKOW							FROM SHANGHAI						FROM PUKOW	

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, *1st July, 1934.*

BY ORDER.

children, arrangement of hard labor for prisoners, introduction of courts in the localities where the latter haven't yet been established appointment of graduates of foreign universities to the courts of Shanghai, etc., were discussed and partly adopted at the four sessions of the Conference in Nanking.

The question of the abolition of extrality rights in China, being the most important of all issues, the present-day China is facing at the moment, was even included into a manifesto, issued by the Conference upon its conclusion, which summarized its proceedings and expressed the hope that, in spite of the closing of the conference, all these who are interested in the judicial reforms in China will continue frequently to submit their views to the Judicial Yuan.

The Conference was adjourned after the closing speech of Wang Ching-wei, President of the Executive Yuan, who urged the cooperation of the Judicial Yuan and the various Government organs in the execution of the resolutions adopted at the conference.

Summing up the impressions of the First National Conference of China, we have to state that the primary object of it, namely, threshing out all knotty problems of the Chinese Judiciary, has been well achieved. Many of them, no doubt, have been raised for the first time since the establishment of the National Government in China and this fact deserves our full approbation. As to the problem of practical significanse, the process of introduction of new ideas into life must be very slow. The slower it is, the better. It should always be remembered that the efficacy of a law lies in its ability to meet practical modern needs of the entire people and, although it should be in advance of the exigencies of the moment, but not so much in advance that it is reduced to impotence. Following this principle, by means o slow evolution, China will painlessly attain the stage of judicial progress of the most advanced countries, among which her place is secured by right and recognized position of a Great State.

China's Trade Mark Law Is Amended

China's trade mark law is being revised in certain important respects. The third paragraph in Art. 1 now reads, "The words used in a trade mark (referred to in Law) include the pronunication thereof."

Art. 3 is to be amended so that "When two or more persons separately apply for registration of the same or similar trade marks for the same commodity, the trade mark which was first actually used *in the Republic of China and has continued to be so used without interruption* shall be granted registration . . . ."

These amendments are in addition to numerous others of less importance.

Ginling College at Nanking Celebrates Twentieth Anniversary

The twentieth anniversary of the founding of Ginling College at Nanking was celebrated with appropriate exercises Nov. 2 and 3. At the fornal exercises on Nov. 2, Dr. Sun Fo, president of the Legislative Yuan, and Dr. Lo Chia-lun, President of the National Central University, were the speakers. Dr. Sun spoke of Government and private institutions in relation to education in China. He recommended more economy in the management of Government institutions, where costs are high, and greater support for the private institution who must keep up standards. He expressed his feeling that there is a place for the private institution to supplement the work of the Government institutions. He also commended the policy on the part of the Government of helping to strengthen the private institutions by giving Government grants. He expressed best wishes for Ginling and the hope that the College would continue to contribute to the higher education of women in China.

Dr. Chang Po-ling, President of Nankai University, was the speaker at the Founders' Day Service on Sunday morning. He expressed his understanding and sympathy with the problems of the private institution. With reference to such institutions he said two things, first without money the private institution cannot be maintained, and second money alone cannot build a college. He emphasized the importance of spirit and personality in an educational institution.

Kiangsu Methodist Church Holds Annual Conference at Nanchang

The Kiangsi Methodist Episopal Church held its annual conference at Nanchang October 29 to November 4, Bishop Herbert Welch of Shanghai presiding. Russel Hsiung, President of William Nast Academy, presented Bishop and Mrs. Welch with a number of highly prized antiques in pottery and bronze in view of their forthcoming retirement. Prominent among the visiting delegates were Dr. R. Y. Lo, editor of the *China Christian Advocate* and a member of the Legislative Yuan, Dr. Carlton Lacy of the American Bible Society, Yu Jen-shen of the Kiangsu Provincial College, and Dr. P. C. Hsu, General Secretary of the Kiangsi Christian Rural Service Union.

Only Way to Safeguard Far-Eastern Peace

BY CHANG T'IEN HU

A TRUE co-operation between China and Japan will, without doubt,bring peace to the Far East. But, in view of the present situation, a true co-operation is impossible. Japan is never sincere about it, and is but using it as a false facade to camouflage her further moves of aggression upon China. And it should be recognized that Japan is the disturber of peace in the Far East, and is the object of any scheme to maintain peace in this part of the world.

The League of Nations has failed to bring Japan to justice for the outrages she has been committing. And we should not expect too much from it, even though it may one day be able to settle the present Italo-Abyssinian dispute. This is because that the League is in fact of similar nature to the old day "concert of Europe," an association of European great powers. Its sanctions may only be effective in Europe and at a time when the interest of the dominant powers is immediately concerned. Asia is in fact, if not in law, beyond its venue. Let us look up no more to this ill-shaped leviathan.

We can see no other way to preserve effectively peace in the Far East than a close co-operation in the form of an alliance between China, the United States and Russia. The reason is obvious. China, Russia and the United States have paramount and common interest in the Far East, and, therefore, they should co-operate. The objectives of the "expansionist policy" of Japan are not only Chinese territories, but also Vladivostok, the whole of Sakhalin, the Russian provinces adjacent to Manchuria and Mongolia, the Philippine Islands, Guan, Marcus, Wake, Hawaii and other American islands on the Pacific, and even more. And these three countries naturally should co-operate.

Eden once made the remark : that the United States and Russia are two great powers in the Far East, and that the League sanctions were in fact inapplicable against Japan in the Manchurian case because these two great powers were not members of the League. This not only means that it is the business, not of the League, but of the United States, Russia and, of course, China to hold the Japanese in check, but also touches the idea that a co-operation of these three countries will be effective in the determination of Far Eastern affairs.

Furthermore, such a co-operation will bring much benefit and prosperity to the three countries. The amount of trade that can be developed along the frontier line between Russia and China will be inestimable. And, as the United States is highly industrialized, and China rich in agricultural products and natural resources, the economic help that can be given each other will be great. And if, on the contrary, these three countries go on as they have been, and never consolidate into a single block, so to speak, Japan will first dominate China, and such a domination will enable her to grab off from the hands of the United States and Russia all they have in the Far East and the Pacific, either territories or other political and economic interests. Evidently, this will be the result.

It has been reported that the American public has been given to understand that "the strategic frontier of the United States lies toward Asia, where the fleet is at present concentrated, instead of in the Mediterreanean." Evidently the United States is conscious of the threatening danger of Japan. And M. Litvinoff at Geneva is said to have made strenuous effort to bring about the application of the League sanctions against Italy with the motive that they may be brought to bear upon Japan later. We but regret that the mere concentration of fleet in the Pacific by the United States is not sufficient to save the situation in the Far East, and the way of Litvinoff is too circuitous to be of much avail. China, Russia and the United States shoud form a united front. An triple alliance for offence and defence should be immediately made, and a tete-a-tete conference called at once to formulate concrete plans for the stabilization of the precarious situation in the Far East. It is only through their concerted action that peace in this part of the world can be preserved.

Shanghai, November 6, 1935.

American Boxer Indemnity to Be Made in U.S. Dollars

Effective henceforth payments of the American portion of the boxer indemnity will be made in the currency of the United States, instead of in Chinese currency as heretofore, according to a decision of the Ministry of Finance Nov. 12. Instructions have been received by Sir Frederick Maze, Inspector-General of Customs, to buy American dollars against Customs gold unit, and to credit the American dollars to the indemnity account. This new arrangement, it is learned, is made following certain exceptions taken by Mr. Nelson Johnson, the United States Ambassador, over the conversion rate of the American dollar into the Chinese currency, and a subsequent proposal of Sir Frederick to the Finance Ministry.

Dr. Alfred Sze Praises America's Good-will Towards China

Dr. Alfred Sze, Chinese Ambassador at Washington in an address before the Friends of China Society in Boston Nov. 6 stated that American good-will toward China has been a business asset contributing to the predominant position of the United States in China's overseas trade since 1931. The United States, he said, had wrested leadership from Japan and Great Britain in 1931 by providing more than 22 per cent of China's foreign trade. Dr. Sze said that the American proportion of Chinese trade reached 26 per cent in 1934, as compared with Japan's 12½ per cent, and Great Britain's twelve.

"It is a source of gratification to my people," the Ambassador said, "that Americans have never sought to make the needs and distress of the Chinese people a profit to themselves . . . in the United States, your merchants and manufactures have learned the value of good-will as a business asset.

"You have spent annually thousands of dollars in China for schools and hospitals, creating a psychological element called good-will. This was done purely for philanthropic motives, but it remains nevertheless true that Sino-American trade intercourse has been promoted by Chinese good-will toward Americans."

In an address before the East Asiatic Society in Cambridge, Mass., Nov 7. Dr. Sze stated that China's objections to extraterritoriality were being revived to-day for the first time in recent months. The Ambassador cited the opinions of experts to the effect that extraterritoriality was derogatory to the dignity of a great civilized people, and that it had deterred China from opening an internal domain of unrestricted commercial intercourse.

Dr. Sze said that the application of extraterritoriality often prevented the obtaining of justice for Chinese plaintiffs, and failed to regulate foreigners in many respects because the laws of the foreign nations involved were not designed to operate in the overseas areas. As long as foreigners are entitled to exemption from the operation of local laws, and the local judicial tribunals, it is not practicable for China to grant foreigners in the interior of China—outside the so-called treaty ports—those rights of residence, land-owning and business undertakings which they enjoy in other civilized countries where rights of extraterritoilaity are not insisted upon," the Ambassador maintained.

Madame Sze Arrives Here with Son

Madame Alfred Sze, wife of the Ambassador to the United States, and their son, Deson Sze arrived in Shanghai Nov. 8 by the s.s. *President Pierce*. Dr. and Mr. Sze Ming-sze, Mr. Dzau Linson and Mrs. Y. C. Wen were among those to greet them at the jetty on their arrival. Mr. Sze, a brother of Dr. Sze Ming-sze, is planning to accept a position with the National City Bank in Shanghai or Tientsin. He was connected with this financial institution in New York Coty. Madame Sze is temporarily stopping at the Park Hotel.

American-Oriental Bank Will Pay Initial Dividend of 7½ Per Cent

Frank L. Hough, liquidator of the defunct Raven institutions, issued a statement Nov. 9 to the effect that an initial dividend of 7½ per cent would probably be paid the general creditors of the American Oriental Banking Corporation before Christmas.

Since June 4, when the liquidator first started pressing debtors for payment, and up to October 31, the sum of $856,000 had been collected, it was stated. Of this sum, about $780,000 remains for payment to general creditors, which includes the preferred creditors who are now being paid off as fast as possible.

From the total collected, $57,000, or about seven per cent, has been expended for the cost of liquidation, while $21,000 has been disbursed to depositors of the bank whose accounts were less than $50. Mr. Hough mentions that expenses of liquidation have been unusually low.

The total liabilities of the bank are set at about $8,000,000. This figure includes all deposits, trust, preferred and other items.

Americans form the largest group of creditors of the Raven group, while Russians as a group and Chinese as a group are debtors. Other nationalities taken together form a creditor group.

The American-Oriental Banking Corporation, American-Oriental Finance Corporation, and the Raven Trust Company, owe Americans a total of $880,725.10. Chinese taken as a group, owe the Raven concerns a total of $276,398.71, while Russians, taken similarly, owe $450,687.45. All other nationalities, grouped together, have owing to them a total of $3,566,846.16.

Catholics Pray for China Peace and Prosperity

More than 3,000 Catholic followers, including a number of bishops of American, German, and Spanish faith, attended a mass at Foochow, Nov. 12, conducted by the Apostolic Delegate, Monsignour Mario Zanin, for the peace and prosperity of the Chinese nation. In the course of his communion, the Papal nuncio also prayed for the health of President Wang Ching-wei, who is still confined in hospital following a dastard attempt on his life two weeks ago.

Dr. Alfred Sze an "Investor" "Bill Quoin, Inc."

The picture shown herewith is that of "Bill Quoin, Inc." the China born son of an American-born Chinese, and a 1935 graduate of the Milwaukee Engineering School. Mr. Quoin was christend William. He conceived the idea of "incorporating" himself in order that eight prominent men in various parts of the world might be induced to finance him in getting an engineering training. He secured as his first "stockholder" Dr. Raymond D. Speare of San Diego, for whom he was originally No. 1 house boy. Among others who "invested" was Dr. Alfred Sze, Chinese Minister at Washington. In 1931 he became a pupil in the Milwaukee Engineering School, from which he has since graduated. "Bill" is entering the plant of Allis-Chalmers Co. and hopes eventually to come to China to join the American Trading Co. as a development engineer.

"Bill Quoin, Inc."

China's Export Trade Benefits from U.S. Agricultural Restrictions

An amazing feature of China's export trade to the United States at the present time is the really huge amount of vegetable seeds and oils that are being sent across the Pacific. Some of these articles have to surmount a considerable import duty, but so great has America's need for these products become, because of the agricultural restrictions imposed by the Roosevelt administration, that the American public must import these oil products at a high price from China in order to meet the needs of the country.

The figures given below are for the whole of China during the months January-September, 1935—exports to the United States. The amounts are given in U.S. currency—in Chinese currency the figures would be three and-a-third times greater. The figures are official, supplied by the U.S. Consulate General in Shanghai, but they are not necessarily complete as under existing laws the U.S. consulates in China are not in a position to get full details of exports from China to the United States when the articles in question are free of import duty into the United States:—Sesame seed $2,228,743; hempseed, $1,279,553; peanut oil, $1, 96,842; sausage casings, $1,117,267; cotton seed oil $6,30,500.

Other prominent items are: Goat skins, $1,621,188; lambskins, $1,392,116; weasel skins $1,337,881; bristles, $2,735,734; waste cotton, $494,635; linen embroideries, $2,099,731; wool for carpets, $5,078,275.

Silk, once China's greatest export to U.S., has dropped to inconsequential figures. The total of all classes of unmanufactured silks amounts to under a million dollars.

A report submitted by the Foreign Trade Bureau to the Ministry of Industries last week shows that by dint of her rapid development of trade relations with China, Japan has replaced the United States in occupying the foremost place among the countries which causes an unfavorable trade balance to China during the first half year of 1935.

The United States, however, still retains the leading place in the amount of import from and export to China. While Great Britain has suffered a slight decline in her trade with China, Germany has, on the contrary, gradually emerged into the limelight in her trade relations with China.

According to the report, China's unfavorable balance of trade due from Japan during the period from January to June amounted to $49,667,000, occupying 17 per cent of the total unfavorable balance of international payments for the period, and being approximately treble that of the corresponding period last year.

Annam was the second among the countries causing an unfavorable trade balance to China by virtue of the large amount of rice she imported to the latter. China's unfavorable trade balance due Indo-China amounted to $46,875,000, occupying about 16 per cent of the total unfavorable trade balance, and being approximately double that of the corresponding period last year.

"Everyone remarks, 'What a *pretty* baby'"
"WHAT they really mean is *healthy* baby. All babies are attractive but a healthy, robust child like ours always invites admiration. Most women—even mothers—don't realize that careful feeding is what gives Baby that happy, carefree expression.
"WHEN our youngster was three months old—that critical period when *everything* depends on the right food for weaning—the doctor told me to feed him Quaker Oats gruel. He said it would help build bones and muscle—enrich the blood—that it would give Baby a real start in life.
"IT CERTAINLY has done that—and Baby loved it from the start. He's beginning to walk now and, my, such strength in those little legs. I feed him Quaker Oats porridge now—he never seems to get enough of it. Yes, he *is* a pretty baby but first a *healthy* baby, thanks to Quaker Oats."

Quaker Oats is the ideal food for every stage of life from babyhood to old age. Everyone likes its delicious flavour. And everyone will benefit by its health-building properties. Economical. Easy to serve—cooks in 2½ minutes.

LOOK FOR THE QUAKER FIGURE FOR GENUINE

Quaker Oats

D-5

Japanese Continue Anti-Bandit Drives in Manchuria —Numerous Casualties

ONE of the most spirited campaigns to eradicate banditry in Manchuria, conducted jointly by Manchukuo and Japanese troops since the latter part of September, has resulted in a general round-up of the major groups of outlaws, according to an official announcement in Hsinking Nov. 8.

This says that, in the so-called triangular zone, the bandit forces under Yen Shen-tang, Jen Fu-hsiang and Tsao Kuo-tzu have been defeated and dispersed by Manchukuo troops in co-operation with the Inouye and Nakashiro detachments. They have been driven to the vicinity of Takushan, south of Hsiuyen, and their extermination is now regarded as a mere question of time.

Many strongholds of the South Manchuria Communist Army, composed of Communist bandits and Korean bandits, have been destroyed and their sphere of activity greatly limited.

The eastern Manchukuo border districts have been cleared of all Communist bandits, following the large-scale autumn campaign conducted by the famous Chingan Army in co-operation with the frontier patrol and Japanese punitive troops, including the Inouye and Nukagi detachments.

Owing to large-scale operations conducted in the district along the Hsinking-Harbin line by the Taji, Mimawari, Nodai and Mamajai detachments in close concert with Manchukuo punitive troops, the fate of the bandit forces under the notorious leaders, Wang Te-lin, Kao Shan and Shuan Tzu, hangs in the balance.

In the Jehol district, a powerful brigand force under Lan Tien-lin has been put to rout by a joint Japanese-Manchukuo punitive expedition. The outlaws have been driven into Laoheishan and are surrounded. The bandit force under Liu Chen-tung, which have been energetically carrying on anti-Manchukuo activities in the Jehol district, is being pressed hard by punitive troops and its extermination is now regarded as a question of time.

Japanese Anti-Bandit Force Entirely Wiped Out

A Japanese punitive force made up of eleven soldiers and eleven civilians under Sergeant Nakamura early in the morning of Nov. 5 fought to the last man against heavy odds of communist bandits at a point 20 kilometres North of Memu and 70 kilometres West of Kirin. Sergeant Nakamura and eight other Japanese soldiers were killed in action and the remaining thirteen were all badly wounded, it was announced by the headquarters of the Kwantung Army. Upon receipt of news that 80 Communist bandits were heading towards Laotaokou the eleven Japanese soldiers belonging to the Matsui punitive units re-enforced by eleven local people rushed to the scene about five in the morning. They were, however, engaged by more than 200 marauders near Memu and following several hours of heavy fighting, the Japanese force is reported to have succumbed to overwhelming odds.

One Japanese Officer Killed and Two Men Wounded in Bandit Encounter

One Japanese lieutenant was killed and two men were wounded in a pitched battle outside the walled city of Tuohuan, west of Taonan, Nov. 11 between a Kwantung Army detachment and a force of bandits estimated to be 1,000 strong. Reports reaching Tsitsihar said that the outlaws had fled, leaving many of their dead behind.

Anti-Bandit Dead Are Given Posthumous Honors

Posthumous awards to 158 Japanese officers and soldiers who were killed in action during bandit-suppression operations in Manchukuo from April 29 ,1934 to April 30 this year were announced in Tokyo Nov. 12. Under instructions from Emperor Hirohito, the awards were made on the basis of wartime casualties.

Eight Japanese Soldiers Killed in Bandit Clash Near Kirin

When bandits attacked a village near Kirin Nov. 5, eight Japanese, including the N.-C.-O. in command, were killed and two others wounded before the bandits were driven off. Four Japanese soldiers were killed and another gravely wounded in two engagements with bandits Oct. 30 when a group from the Oikawa detachment engaged a force of outlaws northeast of Lafa and put them to flight after severe fighting.

Manchukuo Population Is 32,869,000—More Than a Million Increase in a Year

Manchukuo's population at the end of 1934 numbered 32,869,000, representing an increase of about 1,200,000 over 1933, it was announced in Hsinking Nov. 7. Figures on the number of households in the new Empire, recently tabulated, will be published in a few days, according to the *Kokutsu* News Agency.

"White" Russian Bureaus Established in Harbin and Mukden

"White" Russian bureaus have been set up in Harbin and Mukden by the Special Service organs of the Japanese Kwantung Army for the purpose of uniting the 180,000 emigrees in the new Empire. The local organization was inaugurated on Nov. 2 in the presence of Major-Gen. Kenji Doihara, Director of the Special Service Division in said city. The bureaus, according to the Kwantung Army, are being set up in accordance with Manchukuo's basic principle of coalition of five Oriental races: Japanese, Korean, Russian, Mongol and Manchu.

More Niigata Farmers to Settle in Manchukuo

Eighteen more farmer families from Niigata prefecture on the Japan Sea coast of Honshu, will arrive in Manchukuo next February as permanent settlers. Niigata farmers who have emigrated to Manchukuo this year total 173 families.

Manchou and Chosen Banks Discuss Yen-Yuan Parity

Discussion of meassures designed to insure the maintenance of the projected Yen-Yuan parity were begun Nov. 11 between Mitsugu Isobe, Director of the Bank of Chosen, and Isoichi Washio, Director of the Bank of Manchou. The discussions mark the opening stage in Manchukuo's program of monetary reforms, aiming at the control and stabilization of Manchurian currency.

Representatives of the Banks of Chosen and of Manchou met Nov. 13 to discuss plans to secure yen-yuan parity and for the complete withdrawal of Korean notes from circulation in Manchuria. On Nov. 4 the Cabinet approved a measure providing for assistance to the Manchukuo government in its currency control policy and assuring the "greatest possible use" of Manchukuo currency by Japanese officials and residents in the new State.

The directors of the Bank of Chosen have pledged their assistance to the projected monetary reforms in Manchukuo.

The Manchukuo Government's steps will include regulations prohibiting speculation and limiting the circulation of foreign currency and gold reserves for the purpose of conversion. Officials of the Banks of Japan and Chosen and the Yokohama Specie Bank pledged their aid in the Manchukuo currency reforms on Nov. 5, at a meeting called by the Ministry of Finance.

Japanese Will Continue Work on Hulutao Harbor

Hulutao harbor, which Marshal Chang Hsueh-liang had planned to substitute for that of Dairen, will be completed by the Japanese for the development of Manchukuo.

As a result of the technical investigations conducted by the South Manchuria Railway Company and the Manchuria Railway Administration, a four-year plan for the construction of the harbor has been worked out. According to the plan, a sum of Yen 3,000,000 will be spent in the first year.

The completion of the harbor will be a serious challenge to both China and the USSR, as it is of great military significance, the *Shun Pao* of Nov. 12 stated.

H. W. Kinney, S. M. R. Spokesman, Receives Decorations

Henry Walsworth Kinney, who was spokesman for the South Manchurian Railway for the past ten years, received two national decorations from the Japanese Government Nov. 7—the Order of Merit (third class) and the Order of the Sacred Treasure. He also received a medal from the Manchukuo Government in recognition of his services in connection with the establishment of the new State. The presentations were made at the S.M.R. headquarters in the presence of representatives, of the governments, directors of the railway and other high officials. Mr. Kinney and family are proceeding from Dairen, to the United States, thence to the Island of Tahiti, where they will make their home.

Chinese Replaces Japanese as Head of Manchukuo News Agency

As the coming press controlling organ Koho (wide publicity). Association is to be born shortly, the *Manchukuo News Agency*, the central press organ in Manchukuo, will function in enlarged form. Hajime Satomi, president of the Manchukuo News Agency, has been removed as of Oct. 31 and replaced by Wang Hung-lieh.

Lieutenant-General Takayanagi, retired, who is president of the *Manchukuo Daily News*, the English-language organ of the South Manchuria Railway Company, has been definitely chosen to be appointed director-in-chief of the Manchuria *Koho* Association, a press controlling organ to be composed of the representatives of the newspapers in Manchuria with a view to promoting the cultural development in Manchukuo. Tatsuo Nakao, president of the Great Hsinking Daily News (Chinese-language newspaper), has been appointed assistant director-in-chief.

Japanese Continue Arrests of Chinese Christians in North China

A *Reuter* telegram from Peiping Nov. 5 stated that the arrest by Japanese gendarmes of Chinese Christians in Manchuria has now extended beyond Mukden. On Nov. 1, four Chinese members of the Irish Presbyterian Mission, in Kirin City, were arrested and taken to Mukden, where about 60 Chinese Christians

were still being held. It is recalled that all those arrested in Mukden were either members of the Irish Mission or employees of the B.A.T., and all were members of the I Fen Hui, or One-Cent Society, members of which contribute one cent a day towards the cost of education for poor students.

South Manchuria Railway to Pay Eight Per Cent Dividend

In an effort to dispel the general uneasiness concerning its future business prospects, the South Manchuria Railway Company will soon issue a formal statement guaranteeing the payment of an eight per cent dividend in the next five years, beginning in 1936.

Simultaneously, this Yen 800,000,000 concern will publish the accounts of the Directorate General of the Manchukuo State Railways, a statement on the firm's program of economy, and a declaration on the projected railway construction in Manchuria and the economic development of North China.

Old C.E.R. Employees Being Discharged by Japanese Management

Confident hopes of "White" Russians that with the transfer of the Soviet portion of the Chinese Eastern (North Manchuria) Railway to Manchukuo they would find increased employment were turned to despair last week as the management of the railroad revealed its plan to discharge 1,600 Russians and Manchurians.

Soviet Embassy in China Celebrates October Revolution Day

A tea reception was given by M. Bogomoloff, Soviet Ambassador to China, Nov. 7 at the Soviet Embassy in Nanking in celebration of the October Revolution. Among the foreign diplomats present were: Sir Alexander Cadogan, British Ambassador, and Nelson T. Johnson, United States Ambassador. Prominent among the Chinese guests were: Sun Fo, President of the Legislative Yuan, Yu Yu-jen, President of the Control Yuan, Admiral Chen Shao-kwan, Minister of Navy, Dr. Wang Shih-chieh, Minister of Education, Dr. Chu Chia-hua, Minister of Communications, Dr. Chu Min-yi, Secretary-general of the Executive Yuan, and Messrs. Hsu Mo and Tang Yu-jen, Vice-Ministers of Foreign Affairs.

Soviets Build More Bridges Along Siberian Railway

A new railway bridge across the Irtish River, near Omsk, destined for the proposed second track of the trans-Siberian Railway, was officially opened Nov. 10. Since the viaducts across the great Siberian rivers constitute the most vulnerable points of the trans-Siberian railway from a strategical point of view, supplementary bridges will be provided all along the line as a precautionary measure.

Huge Tea Factory to Be Located at Batum

The construction of a tea factory having a capacity for turning out one million kilograms of green tea leaves a season has been started in Batum. The first section of the factory will start operating in May 1936.

Four Near Eastern Countries Form Political Bloc—Afghanistan to Join?

Turkey, Iran and Iraq some time ago concluded a non-aggression pact among themselves in an attempt to form a politlcal bloc. According to a report reaching certain quarters in Japan these countries are endeavoring to strengthen their bloc by adding Afghanistan to the bloc.

The Foreign Minister of Iran, the report says, went to Kabul on October 31 under the pretext of signing an agreement concerning definition of boundary between Iran and Afghanistan, and it is now indicated that the Foreign Minister of Iran is now conferring with the Government authorities of Afghanistan at Kabul. The formation of the Near Eastern bloc is presumably based on the secret work of Great Britain and Soviet Russia to maintain the status quo in the Near East.

Soviet Russia, having obtained security on the European border through the League of Nations and Franco-Soviet agreement, is now advancing defense work on the southern boundary. Because it is clear that this is a preparation to concentrate her strength in East Asia in anticipation of a clash with Japan-Manchukuo influence, the Japanese authorities are stated by the Tokyo *Kokumin* to be keeping a strict vigilance over future developments.

120 Academic Institutes in China

There are altogether 120 academic institutes in China, according to statistics recently released by the Ministry of Education. Of the total number, there are 37 institutes of technical studies, 31 institutes of fine arts and 8 institutes of physical education.

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Japan's Draft Budget for 1936-37 Reaches Peacetime Record of Yen 2,217,000,000

JAPAN'S national expenditures have again moved on the path of expansion as the Ministry of Finance Nov. 12 approved a draft budget for the 1936-37 fiscal year reaching the all-time peacetime high of Yen 2.217,000,000. The continued heavy military and naval expenditures and new undertakings by civil ministries were held responsible by Exchequer officials for the continued growth. Of the total, Yen 1,680,000,000 will be appropriated for ordinary requirements.

Deficit bond issues will be limited to Yen 667,000,000 under the present plans which still have to be approved by the Cabinet before being submitted to the Diet.

Tokyo Officials Begin Study of Budget

Officials of the Japanese Exchequer Nov. 11 began the revision of the departmental estimates for the 1936-37 fiscal year, in an effort to prepare a draft budget in time for the next meeting of the Cabinet, on Nov. 19. Simultaneously, they revealed that next year's budgetary deficit, which will have to be covered by the issuance of "red-ink" bonds, will range between Yen 66,000,000 and Yen 670,000,000. In an attempt to bring next year's budget to this year's total, the Finance Ministry has slashed by about 50 per cent the estimates for new undertakings, including those planned by the War and Navy Offices.

Teachers in 792 Towns in Japan Remain Unpaid

According to investigations made by the Education Department, says the *Yomiuri*, the number of towns and villages where payments of salaries to primary school teachers were in arrears in June this year totalled 792, the amount involved being put at Yen 968,600. Since the Law for State subsidy for compulsory education was enacted in 1918, the amount of the State subsidy has often been increased. In 1923 it was increased to Yen 40,000,000, in 1926 to Yen 70,000,000, and in 1930 to Yen 85,000,000. Under a separate law for the temporary State subsidy for the poorer towns and villages there was an additional grant of Yen 12,000,000 in 1932 and in 1933. In the Budget for the current fiscal year the votes under these two laws amount to Yen 94,000,000. As the total amount of salaries paid to primary school teachers in now estimated at Yen 150,000,000, the State subsidy represents more than 60 per cent. This, notwithstanding, the number of defaulting towns and villages is yearly increasing.

Chinese Currency Reform to Have Little Effect on Large Japanese Firms

China's currency reform project will have little effect upon the operations of the South Manchuria Railway Company and the Oriental Development Company, two largest Japanese investors on the Asiatic continent, a survey of Tokyo financial circles indicates.

Japanese Rayon Replaces Italian Product

While Italy's resources are taxed to the utmost by the armed conflict with Ethiopia, Japanese rayon textiles are steadily replacing the Italian product in India, China, Australia and other markets of the world, Osaka textile manufacturers report. The Tanaka Company in said city received a cabled inquiry Nov. 7 from Addis Ababa, and will shortly dispatch 300 bales of rayon cloth samples to the Ethiopian Capital.

Japan to Produce Rayon from Waste Cotton

Waste cotton will be processed for use in the manufacture of rayon in the place of wood pulp under plans being rushed to completion by the Mitsui Bussan Kasiha. A company capitalized at Yen 5,000,000 has been organized and a contract signed with the Dai Nippon Cotton Spinning Company for the utilization of its waste cotton. Similar arrangements are being made with the Kanegafuchi Cotton Spinning Company so as to bring the daily output of "cotton pulp" of the new plant up to about 10 tons a day.

Japan to Buy Ore in Philippines

The Government-sponsored Nippon Iron Manufacturing Company will purchase 500,000 tons of iron ore next year from the Jagua Mines in the Philippines. The Japanese concern purchased 200,000 tons of ore from the Filipino company last year.

Oct. 31 Issue of Weekly "Japan Chronicle" Is Suppressed

The weekly edition of the *Japan Chronicle* dated October 31 was suppressed because it contained an article entitled "Japan and League of Nations," an article about which the Japanese authorities had given the *Chronicle* warning when it originally appeared in the daily issue.

Chinese Students Forge Certificates to Enter Japanese Universities

Ten Chinese students in Tokyo who are alleged to have forged certificates of Chinese high schools in order to attain admission to colleges and universities are being examined by the Metropolitan Police. A Senshu University student was deported.

At the time of the Manchurian incident, the number of Chinese students in Tokyo fell below 1,000. There has since then been a marked increase. The number listed on the official register is approximately 7,000, and it is understood that the actual is over 10,000.

It is stated (according to the *Japan Chronicle*) that as the Japanese educational authorities have hitherto been lenient as to qualifications, many have been using forged certificates.

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Japan to Have New News Agency

Permission to form a new news agency, which will become the major distributor of news in Japan, was issued by the Ministry of Communications in Tokyo Nov. 4. The new corporation, to be known as the *Domei Tsushin-sha*, will merge the facilities of the *Shimbun Rengo* and *Nippon Dempo* news agencies. Under the terms of the plan, which has been the subject of a two-year controversy, the *Nippon Dempo* will be purchased by the state-owned Japan Broadcasting Association, which will become a partner in the new concern. The permission to form the new enterprise was handed by Keisuke Mochizuki, Minister of Communications, to Takichi Tanaka, former ambassador to Moscow and the head of the preparatory committee, and other members of the body. The newspapers sponsoring the new agency immediately dispatched invitations to all papers at present not subscribing to the *Rengo* service to join the *Domi Tsushin-sha*. The list of sponsoring newspapers includes the *Asahi*, *Kokumin*, *Yomiuri* and *Chugai Shogyo*, all of Tokyo; the Osaka *Mainichi*; the *Hokkai Times*; the *Kuboku Shimbun*, Sendai; and the *Chugoku Shimbun*, Okayama.

Keisuke Mochizuki, Japanese Communications Minister, invited more than 10 representatives of the newspapers and news agencies throughout Japan to his official residence in Tokyo Nov. 2 with a view to seeking the co-operation of the entire press throughout the country for the realization of the Alliance News agency plan. The plan aims at establishing a national news agency in Japan through the co-operation of the entire press in Japan and the Japan Broadcasting Association. The issuance of permission for the application to establish the news agency, a juridical person, filed with the Communications Ministry and Foreign Office, had to be postponed due to the illness and subsequent death of the late Takejiro Toknami, then Communications Minister, and other circumstances.

Mr. Tokonami's successor, Mr. Mochizuki, regards the realization of the news agency plan as urgent in view of the present international situation.

The *Shimbun-no Nihon* November 6 stated that the authorities of the Communication Ministry and Foreign Office have no bright idea for bringing about the merger of *Rengo* and *Nippon Dempo* through adoption of the Alliance News Agency plan. The view has been gaining ground among the promoters of the national news agency that competition will have to be waged between the national news agency and *Nippon Dempo* until some development takes place in the situation.

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Foreign Language Publications to Be More Strictly Censored

The *Shimbun-no Nihon* says the recent frequent cases of lese-majesty found in foreign-language newspapers and other periodicals have prompted the Home Office authorities to recognize the necessity of subjecting such publications to greater surveillance than heretofore through extension of their censorship organ. It is the plan of the Home Office authorities to request an appropriation of Yen 40,000 a year in the next fiscal year's Budget to establish a special censorship organ devoted to examination of foreign-language publications.

Foreign-language newspapers, magazines and other periodicals published in Japan and those imported into Japan from colonies and foreign countries will come under the control of the coming new organ. The authorities expect to employ some 20 censors for the purpose when the demand for the new appropriation is granted.

Forbes Report Says Japan's Trade Expansion Due to Hard Work and Low Pay

The report of the American economic mission to the Far East headed by W. Cameron Forbes, former U. S. Ambassador to Tokyo, says the recent successful expansion of Japan's foreign trade is attributed partly to the decline of the yen but fundamentally to the willingness of the Japanese people to work hard for modest wages. The report also points out as an

important factor in Japan's trade expansion the nation's readiness to work effectively under the guidance of a management which has learned to make successful use of modern machinery and methods, resulting in a wide difference between costs and selling prices.

Nippon War Games End With Review by Emperor

Twenty-five thousand soldiers marched before the Emperor at Miyakonojyo Nov. 13, in a review marking the conclusion of the annual grand army maneuvers. All high officials of the Government, headed by Premier Okada, and representatives of foreign governments witnessed the parade, with more than 100,000 other spectators fighting for space around the airdrome. Fourteen tanks and forty airplanes took part in the review, which lasted for two hours. The Emperor, mounted on his white charger Shirayuki personally inspected the troops for about twenty minutes. Gen. Hayashi, former War Minister, was in command.

Rengo states that Hokkaido, which faces the Soviet Maritime Province, has been tentatively selected as the site of next year's annual grand military maneuvers.

One Hundred Fifty Years of Chinese-American Trade to Be Celebrated

On Tuesday, November 19, 1935, the American Chamber of Commerce and the Chinese-American Trade Council will join in a celebration of the Sesquicentennial of the Opening of Trade between China and America. High officials of the two nations will take part in the program and prominent guests will be present. At the same time a similar celebration of the same important event will be in process at the National Foreign Trade Convention at Houston.

Alfred Sze, Ambassador to America, the U.S. Secretaries of State and Commerce, and other prominent individuals will send a broadcast from America. The Shanghai celebration will take place at the American Club on Nov. 19 at 8 p.m.

The 12th annual meeting of the Western Division of the United States Chamber of Commerce will be held at Honolulu, November 27-30 and it is learned that invitations have been issued by the Chamber of Commerce in said city to a number of Chinese commecrial leaders and the leading members of the Pan-Pacific Association of China to attend the meeting in the capacity of advisors or observers.

Paramount Defers to Spanish Government Regarding Offending Film

The American Paramount Film Co.'s film "The Devil Is a Woman," featuring Marlene Dietrich, which was considered by the Spanish authorities to be offensive to Spanish susceptibilities, as it holds Spanish soldiers and civil guards up to ridicule, has been withdrawn from circulation all over the world. The original negative was burned in the presence of the Spanish Ambassador at Washington.

The Spanish Government had prohibited the display of all Paramount films in Spain, if the film mentioned were not withdrawn before November 11. The Paramount Co., by deferring to the Spanish Government's wishes, may now continue to exhibit its films in Spain.

Sir Frederick Maze Says Customs Revenue Is Not Unsatisfactory

In the course of a recent report Sir Frederick Maze. Inspector-General of Customs, remarked that the Maritime Customs revenue collection this year is not unsatisfactory in the circumstances and shows an increase compared with the corresponding figures of last year (January-October). The slight falling off noticeable in the dollar outturn of the Import Duty is attributable to fluctuations of exchange, and not to decreased revenue.

Filipino Boxer Wins Against French-Indian in Hollywood

Gene Epinosa, Manila feather-weight boxer, won a decision at Hollywood Nov. 8, over Pete De Grasse, French-Indian battler from Vancouver, B.C., in a six round bout at the Hollywood arena. The Filipino weighed in at 126 pounds, the featherweight limit, while De Grasse weighed one pound less.

Anarchists Arrested in Tokyo and Osaka

More than 80 anarchists were arrested in Osaka and Tokyo on charges of planning a revolution as a sequel to an unsuccessful bank holdup staged in the suburbs of the Capital by two anarchists Nov. 12.

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Bogey of Withdrawal of Japanese Extrality "Rights" in Manchukuo

BY THE REVIEW'S HARBIN CORRESPONDENT

MUCH is now being made of the abolition of Japanese extraterritorial rights in Manchuria, this act being interpreted as a sign of "healthy" growth of the new "State," especially of the perfection of its judicial institution. Judging by present indications, the Japanese appear to be ready first to relinquish the administrative rights of the South Manchuria Railway to govern its own zone, a measure not even dreamed of by the former Chinese authorities. That the Japanese appear to be ready to surrender their extraterritorial rights, to which they cling teeth and nail in China Proper, bespeaks of the progress achieved by them in converting the Chinese north-eastern provinces into a province of their own—they may now live there without the protection of extraterritorial rights. However, a study of recent projects bearing on this act shows that the relinquishment of these rights is going to be only in name, the Japanese retaining the essentials of these rights.

At present, both the Governments are conducting what are believed to be final negotiations for the abolition of these Japanese rights, including the turning over by them of the administration of the S.M.R. Zone to Manchukuo. These negotiations, peculiar in every respect, are being carried on in Tokyo, and, according to press reports, both the Governments are represented as follows: Messrs. K. Yamomoto (secretary of the "Embassy" in Changchun) and M. Takabe (director of the Judicial Section of the Kwantung Bureau) represent Japan, whereas Manchukuo is represented by Messrs. T. Tamura and N. Hoshino, officials of the Ministry of Finance, and S. Iizawa, adviser of the Legislative Bureau, all Japanese in Manchukuo service. It appears, therefore, that these parleys, purported to end the age-long special treatment of the Japanese in Manchuria, are being carried on by the Japanese themselves, without the participation of a single Manchukuoan.

The S.M.R. to Be Given Many Special Rights

The salient features of the abolition of these rights are reported to be as follows:—

(1). On request of the Manchukuo Government, and as a temporary expedient, the Japanese authorities in Manchukuo are to have the right of arresting and punishing their own nationals, and in accordance with their own laws and practices. In the meantime, they should continue to render all possible assistance to Manchukuo in perfecting its judicial and police institutions.

(2). The S.M.R. to have the right of policing its own lines independently of Manchukuo, that is to say, the railway may arrest and question any person on its trains or tracks. It means that, as far as concerns the S.M.R., Japan is to retain her extraterritorial rights.

(3). The S.M.R. is to retain, at least for four years hence, the right to tax within its Zone. The collection of these taxes may be handed over to the Kwantung Bureau of the "Embassy," instead of being collected by the railway authorities as now.

(4). Until the promulgation of the Manchukuo industrial law and concurrence therewith of the S.M.R., all factories and other industrial establishments within the Zone to be governed by Japanese industrial regulations, as usual.

(5). The Kwantung Leased Territory, as part of Japan, does not come into the scope of the new agreement.

As regards the taxing of Japanese nationals residing outside the Zone, the Manchukuo Government may be permitted to do so commencing on April 1, 1936, but the rate of taxation should under no condition exceed 6-1,000, levied as the business tax. The Japanese nationals should be exempt from the income tax, now being levied from all, including even the nationals of extraterritorial Powers.

It is reported that the South Manchuria Railway, although agreeing in principle to the relinquishment of Japanese extraterritorial rights, would like not to pay the land tax of Manchukuo, that is to say, it desires to use the land under its tracks, stations and buildings, including those of its numerous subsidiary establishments, free of charge as a gift. Instead, the railway is heard to favor the idea of bearing a part of expenses for the administration of the Railway Zone.

Such being the basis of withdrawing Japanese extraterritorial rights in Manchukuo, there is a sufficient reason to assume that the Japanese are not scrapping these rights altogether; instead, they appear to be ready to retain and perpetuate the essentials of these rights. If they will relinquish extrality on the conditions set forth above, it appears that there will be no fundamental change from the situation that has hitherto prevailed; the Japanese nationals will continue to be subject to the arrest and punishment only by their own authorities, this privilege extending even over those residing outside the Railway Zone; the taxation of the Japanese nationals, no matter whether they will reside within or without the Zone, to continue as before, perhaps with some minor modification in the rates of taxation and in the way of their collection; and, lastly, the Japanese industrial laws to continue operating in the S.M.R. Zone as before. It occurs, therefore, that contrary to much publicity around the alleged withdrawal of Japanese extraterritoriality in Manchukuo, they are going to renounce nothing, holding fast to the rights hitherto enjoyed. If they admit, perchance, Manchukuo policemen and tax-collectors into the Zone, it will not change the picture, for those officials will doubtless be of Japanese nationality, wearing Manchukuo uniforms.

That Manchukuo is rapidly losing the attributes of a sovereign State, which—by the way—it has never had, is apparent. The Japanese nationals no longer occupy in Manchukuo the positions of "advisers," with which they started their career, but are being appointed right to administrative positions as if they were of Manchukuo nationality. Not only were the parleys for the abolition of extrality conducted between the two groups of Japanese, but also the parleys dealing with the conclusion of a new postal treaty as well as with the final tying up of the Manchukuo "gobi" currency to the Yen. Both these parleys were recently held in Tokyo, at which Manchukuo was represented by Japanese officials.

The position of the Manchukuo "gobi" deserves a few words of comment, because to have its own currency is said to be one of characteristics of a sovereign State. At present, the "Gobi" appears to be definitely tied up to the "gold" variety of Japanese currency (which, however, is not gold at all, but a paper currency, Yen 1.00 at present being equal, roughly, to Silver Yen 0.80), at par with same, whereas some four months ago the Gobi was at a premium of about 20 per cent over the Yen. In this respect, the prediction of this correspondent that "there remains very little to do for stabilizing the Gobi at par with the 'gold' Yen; with the present downward trend of exchange, the Gobi will soon itself find its parity; in that case, the substitution of the Gobi by the Yen may be carried out easily" (see *The Review* for June 22 last) has come to be perfectly justified with the exception that the Gobi still serves as the currency of the puppet State side by side with the "gold" and "silver" yen currencies.

Professed Affection for Chinese Farmers Is Belied

The Japanese are friends of Chinese farmers; they profess special love for them. However, their recent acts in Manchukuo appear to be quite contrary to this professed affection for the Chinese farmers. Take, for instance, this apparent stabilization of the Gobi at par with the "gold" Yen. It came as a direct and non-compensated loss for the population, especially for farmers, because the old Chinese currencies were redeemed at the time when the Gobi was at a premium of from 20 to 50 per cent against the "gold" Yen. Now, having artificially lowered the value of the Gobi against the Yen, the State finds itself a winner at the expense of the pupolations. The fact of redeeming old currencies at "higher" exchange rates was trumpeted in the press as a sign of extreme concern of the puppet State for the welfare of its population; now it turns out to be a well-conceived swindle.

At a recent conference of the officials of both the Governments, at which—as said—Manchukuo was represented by the Japanese, it was revealed that the Japanese Ministry of Finance favored the idea of withdrawing "gold" Yen notes of the Bank of Chosen, now widely circulated in Manchukuo. That these notes may be withdrawn from circulation without any adverse effect on the financial situation is admitted by all, because the presence of multitudinous Japanese currencies in Manchukuo (there are, in fact, three kinds of the Yen, to wit, "gold" and "silver," and the Bank of Chosen notes, which are at 5 per cent discount against the notes of the Bank of Japan)side by side with the Gobi will not be conducive to the "healthy" growth of Manchukuo. The confused state of currencies may have been of use during the Chinese administration of Manchuria, not at present.

The withdrawal of the Bank of Chosen notes will doubtless facilitate the unification of the Japanese and Manchukuo currencies, or the substitution of the Gobi by the Yen. In that case, there will remain only the "silver" Yen (the sole prerogative of the Yokohama Specie Bank and the use whereof requires quite a lengthy explanation) and the "gold" notes of the Bank of Japan, still in circulation in Manchuria. Technically, therefore, the Manchukuo "Government" appears to have come right up to the abolition of its currency, the Gobi. However, for the sake of propaganda and keeping "the face," it may stick to it a little longer, but it will not change the situation—the Gobi is as good as abolished.

Harbin, November 5, 1935.

Republicans Look for Victory in Next Year's Elections

Republicans in all parts of the U.S. claim that a "landslide" for the G.O.P. is in prospect in 1936 as a result of the off-year elections last week, but Democrats, on the other hand, cite the vote figures to prove that the returns were encouraging to the Administration. Communists were third in the New York State assembly elections Nov. 8. This was the first time that they have prove so successful.

Standard Oil Pays "Denver Post" $350,000 to Gain Favorable Attitude

Lewis Pritchard, examiner for the Federal Trade Commission, reported Oct. 29 that the Standard Oil Co. of New York in October, 1927, paid F. G. Bonfils $350,000 "to obtain a favorable, instead of the previously unfavorable, attitude, of the *Denver Post* with regard to an ordinance affecting natural gas rates in the city of Denver."

Farm Debt Moratorium Held Unconstitutional

The New Deal sustained another blow Nov. 10 when District Judge, John Paul, ruled at Harrisonburg, Va., that the Federal Act providing for a moratorium on farm debts was unconstitutional in Virginia despite the amendments appended to it by the last Congress. The Judge held that the Act deprived creditors of substantial property rights guaranteed under the law of the State.

Dean Ackerman Says There Is a Growing Demand for Interpretative Writers

Dr. Carl W. Ackerman, Dean of the Columbia University School of Journalism, when interviewed in Shanghai Nov. 8 (en-route to the Philippines on the s.s. *President Pierce*) said the day of hit-or-miss methods in the field of newspaper publishing is rapidly drawing to close in the United States. News values are changing in the United States, according to the Dean, and there is an ever-increasing demand for news-editors, telegraph-editors, copy readers, and desk men generally who appreciate the vital necessity of developing "the continuity of news," and who are equipped to handle the day-by-day news which passes over their desks in such a manner as to achieve this.

Furthermore, according to Dean Ackerman, it is the day of specialists in the field of journalism as it is in all other fields of human endeavor. Smart editors are picking men who are especially suited for certain types of work and keeping them at it.

This is especially true in the fields of physical and social sciences. The Dean pointed to the fact that all news agencies, and all newspapers that can afford to, employ men especially equipped to handle the news which develops in these fields.

This change has come about, Dean Ackerman said, because scientific news—when it is important—is now front page stuff and no longer buried inside the paper as it used to be when the "play" was entirely given to spot news and usually that of a lurid or sensational nature.

Another change within the profession has been the demand for interpretative writers, not men who will distort the facts or editorialize in the news columns, but men with background and judgment, men well able to weigh the facts and draw intelligent conclusions from them.

International Cultural League Inaugurated in Shanghai

A huge gathering of local Chinese and foreign scholars and journalists was present at the inauguration of the International League of Cultural Cooperation held in the garden of Wei Din-yung, 999 Route de Zikaiwei, Shanghai, Nov. 9. The inauguration was presided over by Dr. Y. S. Tsao, fomer President of the Tsing Hwa University and now adviser to the Central Bank of China.

The aim of the League is to promote international cultural cooperation, hoping particularly to do away with the obstacles now existing in the social intercourse between Chinese and foreigners in this country. The League will also conduct researches into the best of the western and Chinese civilizations with a view to providing a sound basis for mutual enlightenment between China and other nations.

Government Control of Kwang Hua Petroleum Company Postponed

According to Hsu Shih-yin, Chairman of the Board of Directors of the Kwang Hua Petroleum Company, it will be some time before the Government can take over the management of the Kwang Hua Petroleum Company. In support of his belief, Mr. Hsu declared that the total assets of the company exceed $20,000,000. If the Ministry takes over the management, a sum of $10,000,000 is needed to carry on the business. As the National Government is facing serious financial difficulties, it is feared that no money is available to carry out this work. However, negotiations are being carried on between the management of the Kwang Hua Petroleum Company and the Ministry of Industry for the extension of Government control to the company in the future.

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Hankow Paper Says Cooperation With Japanese Is Necessary

(BY THE REVIEW'S HANKOW CORRESPONDENT)

IN a lengthy editorial on the agenda of the Fifth National Kuomintang Congress the Chinese-owned Hankow *Herald* mentions the two main items as "Internal unification" and "Sino-Japanese rapprochement." Regarding the second point the editor mentions the recent untoward incidents in north China as hardly conducive of friendly cooperation. However, he does commit himself to the policy of advocating wholehearted cooperation with Japan in the north China provinces as being necessary at present, due to the unprecedented financial and industrial crises of the present time. We quote from the Oct. 31, 1935 editorial:

Japan's Policy

"What purports to be official, and here we believe the Japanese are serious, is the reported three-point policy which requires a formula for co-operation between Japan, China and Manchukuo not only in the development of North China but also in the prevention of the spread of communism, presumably everywhere in China.

"That the Chinese government is prepared to co-operate wholeheartedly with the Japanese in the economic and industrial developments of the North China provinces is generally known. Nor is its sincerity open to doubt. In this the government is backed by the people, who realize that cooperation with a foreign power is necessary in the present unprecedented financial and industrial crisies. But whether the government is ready to accede to the Japanese requirement which means virtually de facto and de jure recognition of the regime which it has pledged not to recognize remains to be seen. Probably the government can find some way to satisfy the Japanese wish, at the same time not exposing itself to serious criticism, as it has done on numerous occasions.

"Perhaps the Government leaders have already decided on a policy to meet the Japanese requirements for co-operation, that is merely awaiting the formal official approval of the C.E.C. members."

Wuhan and the New Currency Reform

The general feeling in Hankow and Wuchang seems to be a "Watchful Waiting" policy. Many of the older men are shaking their heads and doubting the wisdom of the new move of the government in relation to currency reform. However, the bankers and others interested in the future welfare of the industries and finances of this area are falling into line with the monetary reform.

Produce Dealers Seek to Boost Prices

Eggs jumped from $11.60 to $14.20 per thousand in two days. Flour advanced a little, but sesamum oil dealers were asking four dollars more per picul. Forty cents per picul has been added to the price of rice, due to the rise in junk hire by the junkmen who bring in the rice from the country.

Smuggling of Coppers Out of Wuhan

The scarcity of coppers in the Wuhan area due to smuggling operations has caused the municipal authorities to take extraordinary precautions against profiteers. Strict watch is being kept on all persons leaving Hankow and copper or silver found on the body of persons caught smuggling, will be confiscated, and the persons duly punished.

"Central China Post" Investigates Popular Reaction

The British slant on this whole question is revealed in the following report of a cursory investigation of the immediate reaction of the local merchants on the new monetary reforms. We quote from the Nov. 8, 1935 issue of the *Central China Post*:

"A walk around Chinese businesses in Hankow with the object of finding out what was the opinion among the people with regard to the nationalization of silver gained little information. The usual reply was that not enough was known about the new procedure yet to enable a proper opinion to be advanced. The idea of controlled corrency, it was said, was excellent but its success wholly depended upon whether methods followed were sufficiently perfect to meet all contingencies. If they were then China could look forward to much better times in the future for the set exchange would be advantageous to trade. On the other hand it was admitted that the situation was not without its danger and if things went wrong the country would find itself in a dreadful mess."

Copper Notes to Be Issued at Once

To offset the hoarding and smuggling of copper coins the Hupeh Provincial Bank will shortly issue enough subsidiary copper notes to meet the demands of the present situation. Notes to the value of 100,000 coppers were thought sufficient, for the Mayor Wu of Hankow and Chia Hsi-yi, Commissioner of Finance, conferred with each other on the matter and the Mayor is understood to have ordered the Commissioner of Finance to take the necessary steps at once.

Emergency Decree by the Hupeh Pacification Commissioner

Persons caught profiteering in produce or smuggling of copper or silver out of the province of Hupeh will be subject to servere punishment according to the law governing acts of treason against the nation.

$20,000,000 Silver Dollars in Wuhan Banks

The amount of silver dollars in the various Wuhan banks is estimated at twenty million. The three government banks, Bank of China, Central Bank of China, Bank of Communications, have received about $1,500,000 from native banks and exchange shops.

Foreign Banks Fall into Line

The Hankow Branch of the Hongkong and Shanghai Banking Corporation has already stopped all transactions in silver in accordance with the order of the British authorities in China. The other foreign banks will no doubt fall into line in the near future, when the have received instructions from their head offices. In the meantime they are not issuing any silver dollars.

Legal Tender Arrives in Hankow from Shanghai

The Bank of China received three million paper notes from Shanghai, while the Bank of Communications and the Central Bank of China received six million in one-dollar notes.

Hankow, Nov. 11, 1935.

Delinquent Officials Are Punished by Disciplinary Committee

Judgment was rendered at Nanking Nov. 10 against two district magistrates and the director of a tax bureau by the Central Committee for the Disciplinary Punishment of Public Functionaries acting upon impeachments instituted by the Control Yuan.

Ting Ping-lang, Magistrate of Langki (Kienping) district, eastern Anhwei, is to be dismissed from the civil service for a period of two years on the ground of dereliction of duty and corruption.

Li Hsueh-mo, magistrate of Tsanghsien, southeastern Hopei, is to be given two demerits for unjust conduct.

Huang Wei-chin, former Director of the Stamp, Tobacco and Wine Taxes Bureau of the Ministry of Finance, is to be fined 10 per cent of his salary for a period of three months for submitting a false report of expenses.

Yang Tien-chi, member of the Control Yuan, is to be dismissed from office and suspended from the civil service for a period of three years on account of corruption and misconduct. Kao Shuo, Counsellor of the Control Yuan, and Yin Chen-sheng, recording officer, are to be referred to the Yuan for disposal, being involved with Yang in the same offence.

Chinese and French Legations to Be Raised to Embassy Status Shortly

According to information from diplomatic circles in Nanking, the Chinese and French diplomatic representaties will be mutually raised to the status of an embassy sometime next month. It is learned that the announcement of the elevation in question will be made simultaneously in Nanking and Paris as soon as it is approved by the French Parliament next month. It is understood that Dr. Wellington Koo, Chinese Minister to France, will be promoted to the position as first Chinese Ambassador to France.

League Co-operatives Expert Will Continue Investigations in Central and South China

W.K.W. Campbell, League co-operatives expert attached to the National Economic Council, who recently completed an inspection trip in north China, returned to Nanking last week. Mr. Campbell will continue his investigations in central and south China.

President Roosevelt Says America Will Protect Herself

Speaking at the tomb of the Unknown Warrior at Washington on Armistice Day, President Roosevelt cited trade barriers as the cause of international friction and disclosed that the United States and Canada had definitely agreed to eliminate disagreements over unreasonable trade restrictions. He, however, gave a solemn pledge that "the United States will ever seek the ways of peace, but must and will protect herself."

Secretary of State Hull speaking over the radio Nov. 6 asked for wider discretionary powers for the President in directing foreign affairs in times of international disturbance. "Our foreign policy would indeed be weak if it were to begin and end with an announcement of our neutral position at the outbreak of a foreign war" he said. Observers interpreted his speech as paving the way for a Government request at the next Congress for more far-reaching and less rigid neutrality laws.

Roosevelt to Continue Embargo on Munitions

Washington advices state that the Roosevelt Administration plans to continue the present embargo on munitions shipments to both Italy and Ethiopia, but will use only moral force to discourage trading in commodities, and will not attempt to widen the embargo under the existing Neutrality Act, which expires on February 29, 1936.

Who's Who in China

汪豐
Wang Feng

Wang Feng, consular official; born at Peiping, Hopei, November 6th 1902; graduate of Nankai University, 1925; Secretary of the Ministry of Communications, 1926; participated in the revolutionary activities, 1926-29; secretary of the Ministry of Foreign Affairs, 1929-31; was sent to Loyang to organize the temporary headquarters of the Ministry of Foreign Affairs, 1932; now Chinese Consul at Joahnnesburg for the Union of South Africa, and in charge of Chinese Affairs of the Portuguese East Africa, British Northern and Southern Rhodesia and Belgian Congo, address: Chinese Consulate General, Johannesburg, Union of South Africa.

汪豐，河北北平人，畢業於天津南開大學，早歲從事革命，有功黨國。歷任交通部秘書，外交部秘書，一九三二年國難會議時奉派赴河南洛陽組織外交部臨時辦事處，現任駐南菲洲合衆國猶亭尼堡總領事兼管葡屬東菲，英屬南北魯迪先，比屬康果等地華僑事務。通信處：南菲洲合衆國猶亭尼堡中國領事館。

Author of "The Menace of Japan" Dies in Free Clinic in England

Prof. Timothy O'Conroy, former professor of English in Keio University in Tokyo, died in Hampstead, England, Nov. 5 at the age of 52. Professor O'Conroy had a nervous breakdown last June and had been secretly confined in a public free clinic in Hampstead. While living in Tokyo, where he taught English at the Naval Staff College as well as Keio University, he was known as a friend of Japan, but after he left in 1933 he suddenly became bitter, wrote anti-Japanese articles for British newspapers and published a book entitled "The Menace of Japan." He was formally married to a Japanese girl, a tea-parlor waitress, who however, remained behind in Japan and is now working in a Hongo Ward establishment in Tokyo.

Japanese Dump Silk in Shanghai---Chinese Filatures Close

The price of Japanese silk decreased by Yen 20 in the past week in Shanghai, because of the slump of the market in Europe and America. This is believed to be the beginning of a general dumping of Japanese silk in the Chinese market.

All silk filatures in Shnaghai have suspended operations.

According to the silk filature owners, the main cause of a lack of raw material is the introduction of silk control by the Chekiang Provincial Government, which limits the collection of cocoons from the farmers by silk merchants. The silk filature owners and the workers have demanded a revision of the silk control regulations.

German Journalist Expelled from England

Dr. Tost, London correspondent of the Nazi organ, *Angriff* and the *Beobachter*, has been asked to leave Great Britain on the ground that a renewal of his permit to stay was not to the interest of the public. The immediate cause of the expulsion was an article in the *Beobachter* attacking Winston Churchill's recent denunciation in the *Strand* Magazine of Chancellor Adolf Hitler.

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In the United States Court for China

In re. Estate of ROSS JOHN CORBETT, Deceased.	Cause No. 3982 Special Proceedings No. 1040 NOTICE Filed at Shanghai, China, November 8th, 1935. William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ROSS JOHN CORBETT, deceased, to present the same with vouchers to the undersigned on or before May 16, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Katharine Kenny Corbett,
Special Administratrix,
c/o Standard Oil Co.
Shanghai, China.

Shanghai, China.

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THE GIST OF JAPANESE PRESS OPINION

Notwithstanding the pessimistic views entertained in many sections at first, the enterprising circles in this country seem to enjoy prosperity. This is due to improving economic prospects here. Instead of increasing their dividends, however, business companies must be advised to increase their reserve funds.—*Tokyo Jiji.*

Despite the world's policy to exclude Japanese goods Japan's trade returns continue to register a very reassuring balance. It must be emphasized here that this advance of Japanese exports is benefiting not Japan alone but the world as well.—*Tokyo Asahi.*

There is no prospect of any farm relief bill being introduced in the forthcoming session of the Diet. This is not only a great disappointment to the farming populace but a serious injustice to the public in general to whom the Government had promised to do its best for farm relief by establishing the National Policy Council.—*Tokyo Yomiuri.*

The present strain of the North China situation is due mainly to the Chinese Government's failure to carry out the truce pact and the Umezu-Ho Ying-Chin agreement. The state of order in North China has much to do with that in Manchukuo. Japan's present protest is a chance for China's awakening.—*Tokyo Jiji.*

The terroristic Communist outrage committed at Nanking against Dr. Wang Ching-wei, President of the Executive Yuan, deserves the National Government's serious reconsideration, particularly in view of the sound nature of his policy and the dreadful influence of Chinese Communism.—*Tokyo Chugai.*

Gross would be the mistake if some Chinese thought they could change Japan's China policy by killing Dr. Wang Ching-wei. Japan's policy towards China has always been fair and for mutual interest, so that the real Chinese leaders are sure to follow Dr. Wang's principle.—*Tokyo Kokumin.*

If the recent attempt on the life of Dr. Wang Ching-wei was made by the advocates of General Chiang Kai-shek's despotic regime, there is reason to suppose that the Chinese political situation is destined to witness worse complication. How to face this crisis is a serious question with Nanking.—*Tokyo Yomiuri.*

The recent Nanking disturbance makes the Chinese Ministerial reconstruction inevitable. Who will be the successor of Dr. Wang Ching-wei is a question of serious importance to both China and Japan, because upon his policy towards Japan depends in a decidedly large measure the future of Sino-Japanese relations.—*Tokyo Miyako.*

The report that Gen. Chiang Kai-shek wants to restrain Japan by forming a common front with Soviets must be received with some discount. Still, there is reason to believe that he is inclined to fish in troubled waters by setting Japan and the Soviet against each other. His blindness to the times is to be pitied.—*Tokyo Miyako.*

Britain's lack of faith may be blamed in the present allegation of her financial aid to China for the latter's currency reform with Japan's knowledge is true. But still greater blame deserves the negligence on the part of the Japanese diplomats. As for the currency reform, it appears infeasible.—*Tokyo Asahi.*

No Japanese officials diplomatic or military seem to have been aware of the Chinese plan of the currency reform until the very moment of its publication. Before expressing indignancy they ought to reconsider their negligence. However, that fact has brought to light one thing, namely General Chiang wants to challenge Japan.—*Tokyo Miyako.*

District Court Dismisses Action Against Kwang Wha Petroleum Co.

The First Special District Court in Shanghai Nov. 11 dismissed the case in which certain shareholders of the Kwang Wha Petroleum Co. Ltd. sued the United Petroleum Trust of the U.S.S.R. and the Kwang Wha Petroleum Co. Ltd., for the cancellation of the agreement for the supply of Soviet oils on account of duress. The action of the shareholders was based on Art. 34 of the Chinese Civil Code providing that in case of a juristic act whereby a person profiting by the difficulties, indiscretion, or inexperience of another obtains unfair advantages, such juristic act should be null and void. The court found that there was no evidence produced by plaintiffs that there was duress. Another case brought by the United Petroleum Trust of U.S.S.R. against the Continental Bank for the payment of the penalty due by the aforesaid bank as guarantors for the Kwang Wha Petroleum Co. Ltd., is pending.

Tokyo to Protest to China Regarding Air Route to Indo-China

Rengo Nov. 13 stated that the attention of the Nanking Government will soon be called by the Japanese authorities to the apparant breach of an understanding on Sino-Japanese aerial communications, in connection with the establishment of air routes between China and French Indo-China. The decision to take the step was motivated by the reports that the China Aviation Company will open on Dec. 1 routes linking Canton and Yunnan with Annam, the line being later connected with the Indo-China-Paris route.

Tokyo officials pointed out that while China has concluded this agreement with France, no understanding has yet been reached on aerial communication between Japan and China.

Southwest Aviation Co. to Start Two New Lines

The Southwest Aviation Company contemplates starting two new lines of air transportation — one with Wuchow and Nanning terminals, the other between Kwangtung and Kiangsi. The construction of the former line is nearing completion and will probably start operating during next month. Steps are being taken to see that Canton and Kiangsi are also linked by an air line.

Dairen Airport to Be Enlarged

Extensive improvements in the facilities of the Choushui Airport, seven miles north of Dairen, have been drafted by the authorities in the said city. The plans provide for the construction of concrete waiting premises, an office of the Bureau of Communications, a weather observatory and a radio station of the Manchuria Air Transport Company. Three concrete runways, 600 meters long and 60 meters wide, will also be built under the plans. The airport will be connected with the city by a wide motor road and will have extensive parking grounds.

Japanese Commercial Liner to Fly to Foochow

Akira Ariyoshi, Japanese Ambassador to China, filed an application with the Nanking Government Nov. 9 for permission for a flight from Taihoku, Formosa, to Foochow by a Japanese commercial airliner. The 275-kilometer flight is planned by the Taihoku authorities as a part of celebrations of the 40th anniversary of the Japanese administration in Formosa. If the permission is granted, a plane of the Nippon Aviation Company was due to hop off for China on or about Nov. 15.

Japanese Newspaper Plane Flies to Manila

The Lockheed plane of the *Osaka Mainichi* and the *Tokyo Nichi-Nich*, Japan's leading dailies, took off from the Haneda airfield Tokyo Nov. 10 on a flight to Manila. The flight is being made by the two newspapers as a gesture of goodwill to the Philippines on the occasion of the inauguration of Manuel Quezon as the first President of the new Commonwealth.

"Air Automobile" Tried Out in by Soviets

Tests of a new Soviet two-seater airplane powered by an automobile engine which works on the usual automobile fuel, have been completed at the Gorky airdrome. The airplane remained in the air for 4 hours, developing a speed of 120 kilometers an hour and using half the amount of fuel necessary for an airplane equipped with an aviation engine.

New Japanese Naval Airport Is Opened at Maziuru

Japan's major naval air base on the Japan Sea coast was opened at Maizuru Nov. 7 in the presence of 500 naval and military officers, civilian officials and prominent citizens headed by Vice-Admiral Hajime Matsushita, commander of the naval base there. It took 16 months and 8 days to complete the airdrome.

Overdue Plane Found Safe in Alaska

An airplane which had been four days overdue between Fairbanks and Dawson was located Nov. 7 on an island in the Yukon River, 35 miles from Dawson, Alsaka. The pilot and five passengers were all safe.

Forty-one U. S. Naval Planes Engage in Maneuvers at Pearl Harbor

Forty-one naval seaplanes Nov. 9 completed a non-stop mass flight from Honolulu to French Frigate Shoals, 475 miles west, in a tactical maneuver to test the mobility of the Pearl Harbor air defences. The mass flight was entirely uneventful, headquarters announced, and each plane arrived in the order in which it took off.

Famous British Airman Lost Off Burmese Coast

Air-Commodore Sir Charles Kingsford-Smith and his copilot, J. T. Pethybridge, are being sought off the Burmese Coast. They were flying in the plane, *Lady Southern Cross*, in which the two men were enroute to Australia from London. A message from Singapore Nov. 11 stated that although hope that they are still alive is very dim, a flight of Royal Air Force bombers had taken off to join in the search for the two men who disappeared after leaving Allahabad for Singapore.

New Capetown-England Record Established

Flying Officer David Llewellyn and Mrs. Jill Wyndham, wife of Commander R.G.D. Wyndham, landed their plane at Hanworth, Middlesex, England, Nov. 13 after flying from Capetown in six days, 12 h. 17 min., thereby breaking the record established in 1932 and previously held by Mrs. Amy Johnson Mollison.

Men and Events

Twenty shops in the Chiao Jen Road in Hangchow were burned down Nov. 10. The cause of the fire has not been ascertained.

Dr. Li Ting-an, Commissioner of Public Health of Greater Shanghai, is enroute to the United States, having sailed from Shanghai by the s.s. *Empress of Japan* last week.

Miss Sally McAdoo, grand-daughter of Senator William Gibbs McAdoo of California, arrived in Japan last week and after a short stay there will proceed to China, the Philippines, Java and India.

Prof. A. F. Barker addressed the North China Branch of the Royal Asiatic Society Nov. 14 on "The Land of the Incas." The lecture was illustrated with motion pictures and lantern slides.

Dr. Ralph Mortensen, general secretariy and treasurer of the Lutheran Board of Publications and manager of the Lutheran Book Concern of Hankow, is in Shanghai this week on a business trip.

Percy Chen, diplomatic courier of the Chinese Consulate in Khabarovsk, arrived in Shanghai end of last week by the s s. *Sever* from Vladivostok, accompanied by Mrs. Chen.

Mrs. R. L. Witman, assistant manager of the *Tass* News Agency in Shanghai, arrived here from Vladivostock end of last week and has commenced her duties.

The *Tokyo Asahi* Nov. 7 stated that film censors in Japan cut 20,000 meters of film during last year, including 3,003 for disturbance of peace and order; 2,544 meters for kissing; 1,317 for crime; 1,284 for adultery and 1,120 for sociological thought.

Serious underground disputes are being reported in the Chungking University. Professor Ho Lu, Dean of the College of Science, has tendered his resignation, which was followed by a number of other professors.

Miss Buttetfly Wu, China's outstanding movie star, who will be married Nov. 23, has announced that she will continue her cinema work after marriage in the same way as many married women at Hollywood do.

The holding of a national exhibition of drawings and other artistic work of children throughout the country, so as to encourage the development of their artistic inclinations, was decided upon by the National Committee for Enforcement of Children's Year at a meeting held in Nanking Nov. 9.

The Shanghai Municipal Council at a meeting Nov. 11 adopted the report of the phone experts providing for a message rate on telephones in the Settlement. It was intimated that the French Municipal Council will take similar action. The new system is to go into effect from March 1 next.

The Chinese Women's Club entertained at tea at the residence of Mrs. and Mrs. William Gockson, 1400 Bubbling Well Road, Shanghai, Nov. 8, in honor of the 31 young Australian girls, who are traveling in the Orient on a goodwill and educational tour under the auspices of the Young Australian League.

Mrs. Howard Wayne Smith, president of the Woman's American Baptist Foreign Mission Society, addressed the students of the University of Shanghai at their assembly Nov. 10. Short addresses were also made by Mrs. De Witt, and by Oliver H. Sisson, associate secretary of the American Baptist Foreign Mission Society.

In pursuance of instructions from General Chiang Kai-shek, President of the Military Affairs Commission, Dr. Wang Shih-chieh, Minister of Education, has instructed the various school authorities to devise suitable measures for improving the personal appearance of the students. Students are to be instructed to wear their caps and uniforms properly. Those who wear khaki uniforms are advised to use a leather belt, for more comely appearance.

It was announced in London, Oct. 22 that Sir Andrew Caldecott, Colonial Secretary of the Straits Settlement since 1933, had been appointed to succeed Sir William Peel as Governor of Hongkong. The appointment will take affect on the retirement of Sir William in December. The Governor-designate is the author of a history of Jelebu, and has written various articles on Malayan subjects. Sir William Peel, whom he is to succeed, has been Governor of Hongkong since 1930.

The U. S. Marine Corps in Shanghai combined the celebration of Armstice Day with that for the 160th anniversary of the founding of the United States Marine Corps, Nov. 10 and 11. The Marines on Nov. 10 gathered at the Grand Theater for a special program arranged so as to mark the dual significance of the day. Music was supplied by the Marine band in an especially prepared program. The celebration was continued on the following day when a picture was shown at the Rialto for Marines only, and in the evening the 2nd Battalion Dance was held at the American Women's Club. The Navy Y.M.C.A. also rendered a program that same evening at which a large number of Fourth Marines were present.

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Probably the very best cure for such a condition is a long sea voyage. But few can afford either the time or the money for this. A method of treatment within the means of everybody, and which innumerable sufferers throughout the world have found completely efficacious, is by means of Dr. Williams' Pink Pills. It is truly astonishing how a short course of these Pills enrich the blood, build up the nerves and give new vitality to the whole system.

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Dr. Williams' Pink Pills.

Aw Boon-hew Plans to Establish 1,000 Primary Schools in China

Hu Wen-hu (Aw Boon-hew), multi-millionaire medicine merchant of Singapore and well-known philanthropist is planning to establish 1,000 primary schools in various parts of China within the next ten years. His plans were made known upon his arrival at Foochow Nov. 11, from Canton. Mr. Hu returned to China early in October as head of the Malayan delegation to the National Athletic Meeting held in Shanghai. Interviewed at Foochow, Mr. Hu said that he would first establish ten primary schools in Fukien during the current year, detailed plans for which will be drawn up by the Fukien department of education. Gradually, Mr. Hu said, he will donate funds for the establishment of a total of 1,000 schools throughout China within a period of ten years.

In addition, it is learned, the noted philanthropist has donated a sum of $20,000 to the Fukien provincial government for the construction of a public recreation ground and a swimming pool in Foochow.

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New Books of Interest in the Far East

A Pioneer Chinese Christian Preacher

Liang A-Fah—China's First Preacher, by George Hunter McNeur. Kwang Hsueh Publishing House. Shanghai. Mex. $ 1.50.

On August 1 the Protestant Church in China, regardless of denomination, celebrated the centenary of the death of Dr. Robert Morrison, first Protestant missionary to China. That commemoration will bring again to the attention of the Christian Church in China Morrison's colleague, one Liang A-Fa, first Christian native preacher in this land. The Christian churches of Canton no doubt made a pilgrimage on the first of August to his grave, marked by a monument erected over it in the middle of the campus of Lingnan University.

Rev. George H McNeur, missionary of the Presbyterian Church of New Zealand to Canton, has prepared from such meager material as was available an interesting little biography of this man. Those interested in biography and in the small beginnings of great things should secure the book and read it.

Liang A-Fa has often erreonously been spoken of as the first Protestant convert in China. Even competent authorities like Dr. S. Wells Williams, Dr. J. Legge and the Rev. William Gillespie have made this mistake, and others following after have naturally repeated it. The letters of Morrison, however, and his associate William Milne, leave no doubt that the first convert was Tsae A-ko. One of the Protestant Chinese churches in Macao, the city where Morrison is buried, commemorates *his* name and perhaps some day his story (in some ways more romantic than that of Liang A-fa) will also be written.

This little sketch traces the life of Liang A-fa from its early beginnings, through his decision to leave his native village and seek work in the city of Canton, his first employment with a maker of Chinese brushes or pens, his apprenticeship to an engraver of wooden printing blocks, which led to his employment in the printing of the first New Testament. This association was responsible for his conversion, and his conversion made a different person of a very human, rather irritable man. From a lay preacher and evangelist he became the hospital evangelist in Dr. Peter Parker's hospital in Canton, where he rounded out a life of faithful and fruitful service.

G. T. F.

Capitalism in India

The Development of Capitalist Enterprise in India, by Daniel Houston Buchanan, Ph.D. D. Sc. Professor of Economics in Fish University. New York: MacMillan Co. 497 pages, index. $5 *U.S.*

This study of the spread of the Industrial Revolution from western countries to India is published under the auspices of the Bureau of Industrial Research of Harvard University and Radcliffe College. The author's use of material from the various Commissions and Tariff Board reports has been supplemented by two years of study and travel in India. He has also lived in Japan where he was a professor of Economics in Keiogijuku University, Tokyo. A western economist living in the east inevitably seeks economic explanations for differences in civilizations. Mr. Buchanan has formulated three conclusions which form the background upon which his detailed study of Indian economy has been developed:

1. If economic forces play the important part in western countries which most thoughtful people attribute to them, they must be even more important in the orient, because of the greater pressure of population upon natural resources.
2. Many of the striking differences between occidental and oriental cultures are adaptations of the same "human clay" to differing economic conditions.
3. Detailed studies of the evolutionary movements now in process in several eastern countries will throw useful light upon the origin and nature of the competitive system which has characterizaed the modern economic history of the west.

Mr. Buchanan has used some care in developing the geographical, racial, religious and family conditions in India. This has been necessitated by unique conditions of caste and custom against whose barriers industrial forces are laying seige. As his study progresses it is quite plain that these new conditions and ways of working are changing the peculiar elements of Indian culture. The products of the old civilization are passing because the conditions which demanded them are dying out.

When European traders first began their trade with India their ostensible purpose was to exchange European for Indian products, but the Indians were interested in none of their wares except the precious metals. In the 18th century mercantilist European statesmen looked with great disfavor upon the export of gold and silver. So the East India Company found itself forced to depend more and more upon the use of its capital for production in India and trade between India and her neighbors, remitting only its profits to Europe in the form of goods. The attempts of the English to

establish the silk industry were not successful and they turned to the planting industries. The first to be developed was indigo, then tea and coffee, and more recently rubber. These were organized on a large scale and may properly be regarded as forerunners of the factory system.

The problem of "cottage" or unorganized industry in India by the very number involved looms large in a discussion of Indian industry. It is estimated that there are eight times as many 'industrialists" outside as inside the factories. These handicraft or unorganized workers are employed, alone, or with few helpers, in their homes or in small workshops where they produce by hand for local consumption. Instead of being "independent craftsmen," many of these laborers have fallen into unfortunate forms of economic dependence. This has been particularly true of the hand-loom weaver, who despite improvements in his position and machinery is being pushed from his work.

Western economic conditions of the past years have once more revived the controversy over the advantages of the factory as compared with the older handicrafts. India, with many examples of both systems, would seem to provide an opportunity to compare them side by side. However, neither the handicraft nor factory system now operates normally. Improved transportation has thrown the handicrafts out of balance by bringing the country within the range of distant competitors and the factory has not yet been understood or assimilated.

To oversimplify an account of industrial evolution in India is misleading. The world into which the factories have come has been very unlike that which received the early European factories. Highly developed transport and keen foreign competition have brought first a commercial rather than an industrial revolution. The principal factory industry has been some form of textile, especially cotton, jute and some woolens.

Mr. Buchanan has taken up in some detail the questions of business leadership, transportation and markets, the sources and conditions of labor, wages, business efficiency, the workers' standard of living, as well as the questions definitely concerned with textiles, coal mining and steel manufacture. He has shown the position of India in the perspective of general economic history and the comparative setting of analogous movements in China and Japan. For a study of the influence of capitalist enterprise upon the customary life of an oriental nation, this is a provocative and suggestive book. The author has not neglected the part of the British in all developments, but shows a sympathetic attitude toward their problems and accomplishments.

F. M. R.

R.A.S. Journal, Edited by Esson M. Gale, Contains Wealth of Material

The always informative Jouanal of the North China Branch of the Royal Asiatic Society has appeared with Vol. LXVI, 1935 with contents of an even higher standard than usual. The Journal is edited by Esson M. Gale and is published by Kelly and Walsh, Ltd., Shanghai. Price Chinese $7.

Devoted to "Sinology" in its broadest sense,—the study of the Chinese language, literature, history, art, etc. the *Journal* is the senior foreign language periodical in the Far East.

As frontispiece, an interior view of the famous *Ch'i Hsia Shan* Temple near Nanking showing Buddhist priests at their devotions has been provided from a photograph by Mrs. Willys R. Peck. Other plates show a newly discovered poem attributed to the great Sung poet Su Tung-p'o (1037-1101) incised on stone in remarkably fine calligraphy in the Temple of the Divine cliff in Shantung. J. H. Plumer contributes a valuable note with sketch map on early pottery fragments from Hangchow Bay illustrated by four pages of photographs of these interesting finds.

Contributors this year represent outstanding authorities in a variety of fields. Of special interest is an authoritative article on "The Worship of Lei Tsu, patron Saint of Silk Workers" by Edward T. Williams, Professor Emeritus at the University of California, who is now one of the oldest members of the Society, his name appearing in the roster first in 1889. Dr. Williams will be recalled as both diplomat and scholar in a long career in China. The distinguished Swedish historian of Chinese pictorial art, Osvald Siren, contributes a scholarly paper on "How the Chinese Look upon the Art of Painting," condensed from his two lectures before the Society last winter.

Other articles include "The Technique and Spirit of Chinese Poetry" by the brilliant critic Lin Yu-tang. "China's North-west Passage : a Chapter in Its Opening" by Professor F. S. Drake is the narrative, based on early Chinese source material, of imperial China's penetration into Central Asia at the beginning of the Christian era and the far-flung conquests of the Han armies. Dr. T. C. Lin of Nankai University contributes a whimsical but suggestive essay on "The Word 'One' in Chinese Poetry." G. Findley Andrew's account of "Men and Matters in the Land of the Yellow Earth," a region affected by flood and earthquake in North-west China, appears appropriately enough at this time of

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recurrent calamity in the lower Yellow River Valley as a poignant record of personal experience and observation.

Dr. John C. Ferguson summarizes certain important Chinese studies recently appearing on inscriptions on ancient bronzes. Prof. Homer H. Dubs, known for his translation of the works of the later Chou philosopher Hsun-tzu, "the moulder of ancient Confucianism," continues studies in China's astronomical history which have appeared from time to time in the *Journal*. This is an intensive study of "Eclipses during the First Fifty Years of the Earlier Han Dynasty," also based on original Chinese records.

"Reviews of Recent Books," contains evaluations of the principal works on China, chiefly of a scholarly or scientific nature, published during the past year. Among these particularly to be mentioned are Evan Morgan's "Tao: The Great Luminant" reviewed by Dr. H. Chatley, Osvald Siren's two great volumes "A History of Early Chinese Painting" reviewed by the editor of the *Journal*, Dr. Esson M. Gale, and Sir Reginald Johnston's "Confucianism and Modern China" surveyed by Dr. Morgan. Works which represent special contributions in Chinese studies are Dr. Carroll B. Malone's "History of the Peking Summer Palaces under the Ching Dynasty" and Prof. L. C. Goodrich's "The Literary Inquisition of Ch'ien Lung," the former reviewed by an authority on Chinese architecture, Henry K. Murphy, and the latter by Dr. Gale.

Government in the Modern World

The Individual and the Community, by Dr. Wen Kwei Liao, M.A. Ph.D. Regan Paul, Trench, Trubner and Co., Ltd., London. 15 s. net.

This is not a book for light reading. Dr. Liao is the professor of Philosophy in the University of Nanking, and the reader almost needs to have majored in philosophy himself to read the book easily. And yet this reviewer ventures to say that there may be others who have always wanted to know the gist of the philosophy of Plato and Aristotle; of Augustine, Aquinas and Dante in the Middle Ages; of Machiavelli, Luther, and those other precursors of Kant,—Hobbes, Spinoza, Locke, Montesquieu and Rousseau; Kant himself and those who followed him, without making an exhaustive study of philosophy as such. They are all here, and added to their company are the Chinese philosophers: Confucius, Mencius, and Lao Tzu.

In other words, the author has used a thoroughly scientific historical approach to his problem of government in the modern world. He makes a careful analysis of the motivating factors of social conduct, showing how the social community affects the individual and how, and under what circumstances, the individual can hope to change the social environment. The age-long conflict of law versus morality is systematically dealt with, and we follow the early philosophers as they contend with one another as to whether legality is the source of morality, or whether morality is the basis and criterion for legality, or (as with Spinoza) they are both regarded as different aspects of social conduct. The philosophies of both Hinduism and Buddhism come in for discussion before the author is through.

The book is so thoroughly and scientifically done that it is highly recommended to all students of political philosophy and to all who are interested in the problem of government in the modern world.

G. T. F.

Turkish Republic Makes Great Progress in 12 Years

The Oct. 9 issue of *Foreign Policy Reports*, published at 8 West 40th St., N.Y., is devoted to a discussion of "Twelve Years of the Turkish Republic." The author, Frederick T. Merrill, says:—"In the face of seemingly insurmountable obstacles, Turkey has made remarkable progress during the twelve years of the Republican regime. First-hand observes of Turkey continually remark on the rapidity with which the Turks are assimilating Western methods and civolization. In the political sphere a purely national, sovereign state, commanding the loyalty of its people and the respect of other nations, has been created. The social program of the government has made definite progress in popular education and the emancipation of women. Health and living conditions have also been improved. In the financial sphere, Turkey has adjusted its foreign obligations, and by instituting a policy of "pay as you go" in its internal affairs has strengthened its credit abroad. Economically, the new regime is revolutionizing agriculture and establishing an industry in an effort to become self-sufficient in manufactured goods. On the other hand, economic nationalism, restriction of foreign trade, heavy appropriations for national defense, and the government's internal financial policy are at present the major difficulties which beset the Turkish people in their attempt to gain economic and political security. The first stage of the Turkish revolution has been effectively completed. The final stage that of consolidation, is now in progress."

A Collection of English Essays

The Best English Essays, Vol. I., The Old Masters, edited by Henry Huizinga, Ph.D. The Commercial Press, Shanghai, 1934. 317 pages, with biographies, notes and questions.

Dr. Huizinga presents twenty-one essays in this volume, using about half his pages for biographies, and notes, and also adding lists of questions which may prove helpful to teachers whose pupils use his text.

The selection of essays is excellent. A few slips in English are to be found in the notes. These mostly concern the "dangling preposition," used as the last word of a sentence. Modern usage does not demand as much as Victorian custom so perhaps this should not be mentioned. "Norse," instead of "Saxon", should be given in the definition of the god, Thor. Woden was the Anglo-Saxon counterpart of the Scandinavian "Odin." A few minor details of this nature which have been overlooked in this edition will probably be corrected in a later printing.

The book should prove exceedingly helpful for Chinese students of English literature as the notes have been carefully prepared by one who knows the analogies and comparisons suggesting themselves to Chinese minds.

G. B. S.

Work of Academia Sinica Is Reviewed by Dr. Tsai Yuan-pei

A review of the work of the Academia Sinica and other institutes for scientific research was given by Dr. Tsai Yuan-pei, President of the Academia Sinica, at the weekly memorial service held at Central party Headquarters Nanking, Nov. 4, prior to the 2nd general meeting of the 6th Plenary Session of the 4th Central Executive Committee of the Kuomintang. The service was presided over by Yu Yu-jen, member of the C.E.C. and President of the Control Yuan.

Dr. Tsai said the principal research institutes in China may be classfied into three categories, namely, organs established by the Government, private organizations and post-graduate schools of universities.

The research institutes established by the Government, according to Dr. Tsai, include (1) the Academia Sinica, which consists of the three departments of administration, research and deliberation, (2) the National Academy of Peiping which comprises an administrative and a research depatment, (3) the National Geological Survey, (4) the National Agricultural Research Bureau and (5) the National Economic Council under which there are instituted the various stations for the improvement of animal husbandry, tea, cotton and sericulture as well as the several laboratories for cotton, dyeing and public health.

The private organizations for scientific researches include, Dr. Tsai continued, the Science Society of China, the Fan Memorial Institute of Biology, the Yellow River Institute of Industrial Chemistry, the West China Academy of Science and the Henry Lester Institute.

University post-graduate schools exist at the Tsing Hua, National Peking, Yenching (all three in Peiping); Chungshan (at Canton); Central (at Nanking); Wuhan (at Wuchang); Nankai (at Tientsin); and Yenching (at Peiping) Universities. Seven courses of study are offered in the post-graduate schools, namely, arts, natural sciences, law, agriculture, engineering, commerce and education.

Referring to the Academia Sinica, Dr. Tsai said that it has a three-fold function: (1) researches of a regular or permanent nature, (2) scientific Researches on the raw materials and products of China, and (3) researches in pure (natural) sciences and the study of history, philology, ethnology and archaeology—which are cultural.

Letters from Late Justice Holmes to Dr. John C. H. Wu Published in "Tien Hsia" Monthly

The *Tien Hsia* monthly, published at 1283 Yu Yuen Road, Shanghai, for October, in addition to other interesting contents, contains some unpublished letters of the late Oliver Wendell Holmes, Justice of the U. S. Supreme addressed to Dr. John C. H. Wu, former judge in the Shanghai Provisional Court and now principal of the Comparative Law School of China in Shanghai. The letters were written at various dates from April 19, 1921 to March 14, 1932. There are in all more than a score of letters, all of which show the great regard in which the late Justice Holmes held an equally distinguished Chinese jurist. While a few of the letters refer to matters of law, the theme in general running through them concerned the mutual taste these two men had for reading good books. There was a remarkable frankness exhibited by Mr. Holmes not only in his comments on current world events but also on some of the books he had read.

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